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April 14, 2017

VIA ELECTRONIC MAIL ONLY

David Moore, Counsel
State Farm Mutual Automobile Insurance Company
One State Farm Plaza
Bloomington, IL 61710
309-766-1908
david.moore.ct95@statefarm.com

**RE: Opinion Letter Request Regarding Multi-Issuer Filing for
State Farm Mutual Automobile Insurance Company and Affiliates**

Dear Mr. Moore:

The New Mexico Securities Division (the "Division") is in receipt of your request and all supplemental documentation, made on behalf of State Farm Mutual Automobile Insurance Company ("State Farm"), which requests that the director of the Division issue an interpretive opinion regarding a recent Form D filing from State Farm and seven of its property and casualty insurance company affiliates (collectively, "Affiliates"). Specifically, in your letter dated March 29, 2017, you request an interpretive opinion that New Mexico notice filing fees do not apply to issuers included on a multiple-issuer Form D, which issuers neither offer nor sell federal covered securities in New Mexico. As outlined below, issuers whose offerings do not have a presence in New Mexico will not be required to pay filing fees. A multi-issuer offering gives no indication that certain issuers will not be present in New Mexico; such an offering is a de facto representation that each issuer will be conducting securities transactions in the state.

On December 28, 2016, State Farm filed a single Form D offering through the Securities and Exchange Commission's ("SEC") Electronic Data Gathering and Retrieval ("EDGAR") system. The single filing contained a total of eight (8) different issuers: State Farm Mutual Automobile Insurance Co.; State Farm Fire & Casualty Co.; State Farm General Insurance Co.; State Farm Lloyds, State Farm County Mutual Insurance Co of Texas, State Farm Indemnity Co.; State Farm Florida Insurance Co.; and State Farm Guaranty Insurance Co. Each issuer represents a different offering. Notice filing fees have been paid pursuant to NMSA 1978, section 58-13C-302C for two (2) of these issuers.

On January 12, 2017, the Division received a payment through NASAA's Electronic Filing Depository ("EFD") associated with the Form D filing for State Farm Mutual Automobile Insurance Co in the amount of \$350.00. On March 2, 2017, the Division received a payment through EFD associated with the Form D filing for State Farm Fire and Casualty Company in the amount of \$350.00. I originally reached out to you on February 13, 2017 regarding the multi-issuer offering. Based on the multi-issuer filing received through EDGAR, it was impossible to distinguish which issuers were not going to be conducting securities transactions in New Mexico. To be clear, it will always be impossible to distinguish which issuers in a multi-issuer offering will not be present in a given state.

Pursuant to NMSA 1978, Section 58-13C-302C, an issuer offering a security that is a covered security under Section 18(b)(4)(D) of the Securities Act of 1933 shall file with the director no later than fifteen (15) days after the first sale of such federal covered security in this state the following: a notice on SEC form D and a fee of \$350.00. *See*, NMAC Rule 12.11.14.9. Under that rule, each issuer must pay a filing fee. Any arguments regarding legislative intent or jurisdiction, as you posed in your letter dated February 20, 2017, are not applicable when there is no indication that an issuer will not be doing business in New Mexico. In fact, the filing, itself, represents to the Division that the issuer intends to conduct business in New Mexico. This is precisely why the Division initially demanded payment for all issuers in the filing. If each of the Affiliates had filed separately through EDGAR and EFD, the six (6) Affiliates who were not going to be conducting business New Mexico would have never shown up in our system. By filing separately, issuers have the opportunity to make such a distinction.

Your letter dated February 20, 2017 specifically lays out the design and structure for the specific offerings contained in the multi-issuer filing. In that letter, you affirm and outline that six (6) of the Affiliates are not going to have any presence in New Mexico. On that representation, those issuers will be deemed to be exempt from paying a filing fee pursuant to NMSA 1978, section 58-13C-302C, since they are not transacting in New Mexico.

Therefore, pursuant to NMSA 1978, Section 58-13C-605D, of the Act, the director finds that State Farm and its Affiliates have complied with NMSA 1978, Section 58-13C-302C and NMAC Rule 12.11.14.9 for all notice filing fees associated with EDGAR filing on December 28, 2016. Sufficient evidence exists to support a finding that the remaining six (6) Affiliates will not be conducting securities transactions in New Mexico, rendering them exempt from any filing fees under New Mexico law. Such evidence should have been initially provided by the Affiliates through separate filings, which would have allowed for each issuer to note the states in which they would not be operating.

This decision is made only in consideration of the information contained or referenced in this letter and the adoption of the facts and analysis contained in the referenced documents. This decision does not reflect a legal conclusion regarding the outlined conduct of State Farm or its Affiliates. Moreover, this decision should not be construed as setting forth any position the Division would take regarding the anti-fraud provisions of the Act, as they would apply to the transactions discussed above. Different facts and circumstances may

cause the Division to reach a different conclusion. The relief in this letter applies only to the parties identified and the circumstances described in this letter.

Sincerely,



Alexis Lotero, Acting Director
New Mexico Securities Division

AL/bt