

STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION
SECURITIES DIVISION

In the matter of:)
) Docket No. 19-045-S
Clearwater Investment Trust)
)

ORDER

WHEREAS, the Vermont Commissioner of Financial Regulation (the "Commissioner") is charged with the administration of the Vermont Uniform Securities Act (the "Act") under 9 V.S.A. § 5601; and

WHEREAS, 9 V.S.A. §§ 5203 and 5605 permit the Commissioner to exempt by order a security, transaction, or offer from the registration requirements of §§ 5301-5306 of the Act, if the Commissioner finds that the order is necessary or appropriate in the public interest or for the protection of investors and is consistent with the purposes of the Act; and

WHEREAS, Clearwater Investment Trust, a Massachusetts Business Trust ("Clearwater"), is registered under the Investment Company Act of 1940 (as amended) (File No. 811-05038) as a diversified open end management investment company and presently includes four series: Clearwater Core Equity Fund, Clearwater Small Companies Fund, Clearwater Tax-Exempt Bond Fund, and Clearwater International Fund (each such series, a "Fund" and together, the "Funds"); and

WHEREAS, Clearwater has registered the shares of beneficial interest offered by it in each of the four Funds (collectively, the "Securities") under the Securities Act of 1933 (File No. 33-12289); and

WHEREAS, the offer and sale in the State of Vermont of a federal covered security, as defined in 15 U.S.C. § 77r(b)(2), of an investment company is subject to notice filing pursuant to 9 V.S.A. § 5302 and V.S.R. § 4-3, unless such security is exempt under sections 9 V.S.A. §§ 5201-5203 or under a rule adopted or an order issued under the Act; and

WHEREAS, each of the Securities offered by Clearwater is a federal covered security of an investment company and Clearwater has previously filed a Form NF with the State of Vermont for each of the Funds pursuant to 9 V.S.A. § 5302 and V.S.R. § 4-3; and

WHEREAS, on March 11, 2019 (the "Request Date"), the Vermont Department of Financial Regulation (the "Department") received a letter from representatives of Clearwater requesting an exemption from future notice filing requirements under 9 V.S.A. § 5302; and

WHEREAS, representatives of Clearwater have subsequently engaged in telephone conferences and e-mail correspondence with the staff of the Department; and

WHEREAS, Clearwater and its representatives have provided information to the Department showing that:

- Clearwater was created exclusively for the clients of Fiduciary Counselling, Inc. ("FCI"), a Registered Investment Advisor;

- FCI was organized solely for the purpose of serving one family (the “Family”), and prospective clients of FCI are only accepted if they are members of the Family;
- The Securities are offered exclusively to clients of FCI and are not available for sale to the general public;
- There is no distributor of the Securities, there is no website describing the Funds and there is no public solicitation of the Securities or the Funds, other than public filings that Clearwater is required to make pursuant to the Investment Company Act of 1940 and the Securities Act of 1933 or other applicable state securities laws;
- There is no sales charge, no commission is paid, and there are no 12b-1 fees in connection with the offer or sale of the Securities;
- As of the Request Date, there is one household in Vermont where an accredited investor and his spouse have the following accounts invested in the Funds: individual accounts, a revocable trust as grantor and trustee, and trust accounts for their minor children (the “Vermont Investors”); and
- The Vermont Investors are members of the Family and clients of FCI; and

WHEREAS, based on the facts described above, the Commissioner finds that it is appropriate in the public interest and consistent with the purposes of the Act to exempt the Securities offered by the Funds from the notice filing requirements of the Act, upon the terms and subject to the conditions set forth in this Order.

NOW, THEREFORE, IT IS ORDERED, under the authority granted by 9 V.S.A §§ 5203 and 5605, that effective as of the Request Date, Clearwater’s transactions are hereby exempted from the notice filing requirements of 9 V.S.A. § 5302 and V.S.R. § 4-3 in connection with offers and sales of the Securities of the four Funds, if the transaction is part of a single issue in which:

(A) not more than 25 purchasers are present in this State during any 12 consecutive months, other than those designated in 9 V.S.A. § 5202(13);

(B) no general solicitation or general advertising is made in connection with the offer to sell or the sale of the securities, other than public filings that Clearwater is required to make pursuant to the Investment Company Act of 1940, the Securities Act of 1933 or other applicable state or federal securities laws;

(C) no commission or other remuneration is paid or given, directly or indirectly, to a person other than a broker-dealer registered under the Act or an agent registered under the Act for soliciting a prospective purchaser in the State of Vermont; and

(D) Clearwater reasonably believes that all the purchasers in the State of Vermont, other than those designated in 9 V.S.A. § 5202(13), are purchasing for investment.

IT IS FURTHER ORDERED, that this Order applies solely based on the facts represented to the Department by Clearwater and its representatives and Clearwater shall seek a further exemption order in the event of any material change in such facts.

IT IS FURTHER ORDERED, that this Order shall remain in effect until the second anniversary of the date hereof, unless earlier amended or rescinded by the Commissioner.

Dated at Montpelier, Vermont, this 9th day of October, 2019.

By: 

Michael S. Pieciak
Commissioner of Financial Regulation