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BEFORE THE ARKANSAS SECURITIES COMMISSIONER: 18

ARKANSAS SECURITIES DEPT.

IN THE MATTER OF

MYSTIC CREEK DEVELOPMENT  
COMPANY LIMITED PARTNERSHIP

Order No. 08-80007977-OR002

**ORDER WAIVING CERTAIN CONDITIONS UNDER  
ARK. CODE ANN. § 23-42-504(A)(9)**

**Findings of Fact**

1. On July 28, 2008, Mystic Creek Development Company Limited Partnership (“Partnership”), an Arkansas limited partnership, submitted to the Arkansas Securities Commissioner (“Commissioner”) its proof of exemption relating to the proposed offer and sale of units of limited partnership interest (“Units”) in an exempt transaction pursuant to Ark. Code Ann. § 23-42-504(a)(9) and Rule 504.01(A)(9) of the Rules of the Arkansas Securities Commissioner (“Rules”). The Partnership supplemented its proof of exemption with additional information on August 4, 2008, and August 25, 2008.

2. In its proof of exemption, the Partnership requests a waiver of the purchaser limitation set forth in Ark. Code Ann. § 23-42-504(a)(9) and Rule 504.01(A)(9) to allow the Partnership to offer and sell Units to a maximum of forty investors other than those named in Ark. Code Ann. § 23-42-504(a)(8).

3. Each Unit to be sold by the Partnership consists of a minimum cash investment of twenty-five thousand dollars coupled with the execution of a limited guaranty to Southern Golf Management Group, Inc. (“General Partner”) guaranteeing the repayment of fifty thousand dollars of a loan to purchase land and construct improvements in connection with the development of a residential and golf course development near El Dorado, Arkansas.

4. The Partnership represents that not less than seventy percent of the Units will be sold to Union County residents. The remainder of the Units may be sold to Arkansas residents who live outside of Union County. Additionally, the Partnership represents that sales will not be made to more than forty purchasers during the period of twelve consecutive months from the effective date of the exemption.

5. Except as set forth in Paragraph 4 above, the Partnership's proof of exemption contains those representations required by Rule 504.01(A)(9).

### **Conclusions of Law**

6. Ark. Code Ann. § 23-42-504(a)(9) and Rule 504.01(A)(9) set forth a mechanism for offerors to offer and sell securities to not more than thirty-five purchasers other than banks, savings institutions, trust companies, insurance companies, and other institutional investors set forth in Ark. Code Ann. § 23-42-504(a)(8).

7. If an offeror wishes to sell to more than thirty-five purchasers (other than those set forth in Ark. Code Ann. § 23-42-504(a)(8)), the offeror must seek a waiver pursuant to Ark. Code Ann. § 23-42-504(a)(9)(B), which provides:

the [C]ommissioner may by rule or order, as to any security or transaction or any type of security or transaction, withdraw or further condition this exemption, or increase or decrease the number of purchasers permitted, or waive the conditions in subdivisions (a)(9)(A)(i) and (ii) of this section with or without the substitution of a limitation on remuneration . . . .

8. Given the limited number of total offerees, and the limited geographic area in which offers may take place, it is in the public interest that the Partnership be allowed to offer and sell Units to a maximum of forty investors, including those not named in Ark. Code Ann. § 23-42-504(a)(8).

**Order**

IT IS THEREFORE ORDERED, that upon compliance with all applicable provisions of the Arkansas Securities Act and the Rules of the Arkansas Securities Commissioner, Mystic Creek Development Company Limited Partnership may offer and sell securities to a maximum of forty offerees, including offerees not named in Ark. Code Ann. § 23-42-504(a)(8), in accordance with the offering memorandum and other documents submitted as part of its proof of exemption. This Order shall not exempt Mystic Creek Development Company Limited Partnership from any other provisions of the Arkansas Securities Act or the Rules of the Arkansas Securities Commissioner, including but not limited to the antifraud provisions.

  
A. Heath Abshure  
Arkansas Securities Commissioner

Date: August 26, 2008