

**STATE OF ARKANSAS
SECURITIES DEPARTMENT**

IN THE MATTER OF

AMERICAN DATA NETWORK, LLC

ORDER PROVIDING A
TRANSACTIONAL EXEMPTION
FROM REGISTRATION
NO. 00-060-S

FINDINGS OF FACT

1. On October 27, 2000, a letter was received by the Arkansas Securities Commissioner requesting that the proposed organization of American Data Network, LLC (the "Company") and the issuance of membership interests in the Company ("Membership Interests") to the organizers (the "Transaction") be determined to be an exempt transaction pursuant to Ark. Code Ann. § 23-42-504(a)(12).

2. The Company is a limited liability company organized under the laws of the State of Arkansas. The Membership Interests consists of all of the Membership Interests to be issued upon organization by the Company.

3. The Members will be Arkansas not-for-profit hospitals and Arkansas Blue Cross and Blue Shield, a Mutual Insurance Company, which are all the members of Arkansas Data Network, an informal association.

4. An exemption from registration has been requested pursuant to the Commissioner's discretionary authority under Ark. Code Ann. § 23-42-504(a)(12). The organizers have all been involved in planning the organization of the Company through their membership in Arkansas Data Network, and they have had the opportunity to be represented by individual counsel with respect to the organization of the Company. The prospective members

have had access to financial and other information concerning the Company as is necessary to make an informed investment decision. Based upon the foregoing, the Transaction is not the type the Arkansas Securities Act (the "Act") was designed to protect by requiring registration, particularly when what is involved is the organization of a limited liability company by the present members of an informal association.

CONCLUSIONS OF LAW

1. Under Section 23-42-504(a)(12) of the Act, the Commissioner may by order exempt certain transactions from Sections 23-42-501 and 23-42-502 of the Act as not being necessary or appropriate in the public interest for the protection of investors.
2. It is not necessary or appropriate in the public interest for the protection of investors for the organizers to be required to register the Transaction under the Act for the purposes of the contemplated offering.
3. It is not necessary or appropriate in the public interest for the protection of investors for the organizers to be required to engage the services of a registered agent for the purpose of making sales of the Membership Interests.

OPINION

In recognition of the representations made by the Company, it appears registration of this offering of Membership Interests is unnecessary in this instance.

This order does not exempt the organizers from the antifraud provisions of the Act.

ORDER

IT IS THEREFORE ORDERED that securities of the Company offered or sold in Arkansas for the proposed Transaction, if offered and sold in compliance with the representations

made in the letter of October 27, 2000, and the attached exhibits, and in accordance with the Findings of Fact stated herein, shall be exempted from Sections 23-42-501 and 23-42-502 of the Act.

WITNESS MY HAND AND SEAL this *1st* day of November 2000.



M/C DODSON
SECURITIES COMMISSIONER