

**STATE OF ARKANSAS  
SECURITIES DEPARTMENT**

IN THE MATTER OF

**ORDER PROVIDING A WAIVER OF  
CERTAIN PROVISIONS OF THE  
EXEMPTION PURSUANT TO ARK.  
CODE ANN. §23-42-504(a)(9)**

CEI ENGINEERING ASSOCIATES, INC.

**NO. 03-80004597-OR083**

**FINDINGS OF FACT**

1. On October 23, 2003, and November 3, 2003, letters were received by the Arkansas Securities Commissioner requesting that the proposed offer and sale of up to three thousand three hundred fifty-three (3,353) shares of CEI Engineering Associates, Inc. (the "Company") no par value common stock (the "Stock") to seven (7) associate employees (New Offerees) and to the extent any shares are not subscribed for by the New Offerees, then to thirty four (34) existing shareholders ("Shareholder Offerees) of the Company be determined to be an exempt transaction pursuant to Ark. Code Ann. §23-42-504(a)(9).
2. The Company is a civil engineering and surveying firm located in Bentonville, Arkansas, with regional offices in California, Florida, Georgia, Tennessee and Texas.
3. The Company is an Arkansas corporation formed on December 15, 1987.
4. The Company filed a proof of exemption pursuant to Ark. Code Ann. §23-42-504(a)(9) and Rule 504.01(A)(9) of the Rules of the Arkansas Securities Commissioner (the "Rules") which was declared effective on November 3, 2003.

5. Pursuant to Rule 504.01(A)(9)(b), the Company has requested a waiver of the requirement that the investment not exceed twenty percent (20%) of any unaccredited purchaser's net worth (net worth includes home, furnishings and automobiles) to enable the employees, most all of whom are current shareholders of the Company to become shareholders or purchase additional shares in the Company.

#### **CONCLUSIONS OF LAW**

1. Pursuant to Rule 504.01(A)(9)(a), the Commissioner may waive any such requirements of Rule 504.01(A)(9) that apply to offerings of securities.
2. It is not necessary or appropriate in the public interest for the protection of investors for the Company to be required to satisfy the requirements of Rule 504.01(A)(9)(b) in connection with the proposed offering.

#### **OPINION**

In recognition of the representations made by the Company, it appears the requirements of Rule 504.01(A)(9)(b) are unnecessary in this instance.

This Order does not exempt the Company from the antifraud provisions of the Act.

#### **ORDER**

IT IS THEREFORE ORDERED that the requirements of Rule 504.01(A)(9)(b) are hereby waived in connection with the offer and sale of securities of CEI Engineering Associates, Inc. in connection with the proposed offering, provided such securities are offered and sold in compliance with the representations made in the letters of October 23, 2003 and November 3, 2003 and in accordance with the Findings of Fact stated herein.

WITNESS MY HAND AND SEAL this 5th day of November, 2003.

A handwritten signature in black ink, appearing to read "M. Johnson". The signature is written in a cursive, somewhat stylized font with a large initial "M".

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MICHAEL JOHNSON  
SECURITIES COMMISSIONER