

**STATE OF ARKANSAS  
SECURITIES DEPARTMENT**

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IN THE MATTER OF

Otolaryngology and Facial  
Surgery Centre of Northeast  
Arkansas, P.A.

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ORDER PROVIDING A  
TRANSACTIONAL EXEMPTION  
FROM REGISTRATION  
NO. 04-80005276-OR009

**FINDINGS OF FACT**

1. On December 16, 2004, a letter was sent to the Arkansas Securities Department requesting that the proposed offering and sale of sixteen and 66/100 (16.66) shares of the capital stock (the "Stock") of Otolaryngology and Facial Surgery Centre of Northeast Arkansas, P.A. (the "Company"), to Dr. Shane Smith (the "Transaction"), be determined to be an exempt transaction pursuant to Ark. Code Ann. § 23-42-504(a)(12).

2. The Company is a corporation organized under the laws of the State of Arkansas. The Stock to be sold consists of sixteen and 66/100 (16.66) shares of the Stock of the Company owned by Dr. William C. Young, Jr., Dr. John B. Jiu, Dr. David Lewis, Dr. Hugh Sales and Dr. Gary Woodward (the "Sellers").

3. The buyer will be Dr. Shane Smith (the "Buyer").

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 Sellers and the Buyer have fully and completely been involved in the negotiation of an agreement for the sale of the Stock, and they have been, or had the opportunity to be represented in these negotiations by counsel. The Sellers and the Buyer have had access to financial and other

information concerning the parties 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.

### **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 Seller or the Buyer 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 Sellers or the Buyer to be required to engage the services of a registered agent for the purpose of making sales of the securities.

### **OPINION**

In recognition of the representations made by the Sellers, it appears registration of this Transaction is unnecessary in this instance.

This order does not exempt the Sellers or the Buyer from the antifraud provisions of the Act.

**ORDER**

IT IS, THEREFORE, ORDERED that securities offered or sold in Arkansas for the proposed Transaction, if offered and sold in compliance with the representations made in the letter of December 16, 2004, 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 22 day of December 2004.

  
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SECURITIES COMMISSIONER