

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

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CASE NO. S-08-049

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF

CREATIVE CHICKEN CORPORATION
AND
OWEN LAUGHLIN

Order No. S-08-049-08-CD01

CEASE AND DESIST ORDER

On July 28, 2008, the Arkansas Securities Department Staff ("Staff") submitted its Request for Issuance of Cease and Desist Order ("Request") alleging that its has information and evidence indicating that Creative Chicken Corporation, ("CCC"), and its president, Owen Laughlin, ("Laughlin"), have violated certain provisions of the Arkansas Securities Act, Ark. Code Ann. §§ 23-42-101 through 23-42-509 ("Act"), through its public offers to sell shares of stock in CCC. The Arkansas Securities Commissioner ("Commissioner") has reviewed the Request, and based upon the representations made therein, finds:

FINDINGS OF FACT

1. The Request asserts the following representations of fact:
 - A. CCC is a corporation organized and existing under the laws of Nevada. The records of the Nevada Secretary of State indicate that the registered agent for CCC is Laughlin Associates, Inc., located at 2533 North Carson Street, Carson City, Nevada 89706. Advertisements published by CCC reflect that CCC conducts business at 14511 North Hico, Siloam Springs, Arkansas 72761. The records of the Arkansas Secretary of State reflect

that CCC has not been issued a Certificate of Authority to do business in Arkansas as a foreign corporation.

- B. According to the records of the Nevada Secretary of State, Laughlin is the president of CCC, with offices located at 2533 North Carson Street, Carson City, Nevada 89706. The records of the office of the Nevada Secretary of State further indicate that Laughlin also serves as secretary, treasurer, and director of CCC. Laughlin resides at 14511 North Hico Street, Siloam Springs, Arkansas.
- C. The Staff has obtained certain evidence that indicates CCC, and its president, Laughlin, and perhaps others affiliated with CCC, have engaged in certain prohibited activities in connection with offers to sell securities as an investment in an Arkansas-based business enterprise, and that the offers to invest in these securities have been made in violation of the Act.
- D. CCC has published advertisements claiming that it has developed a method whereby it can process chicken litter into an environmentally-friendly fertilizer for residential and commercial use. CCC represents that its method can process an initial capacity of 100 tons of chicken litter per hour. CCC claims in its advertisement that by “processing this material, it will eliminate odor, sanitize the product for the elimination of any and all pathogens, stabilize the soil and release any existing nutritional values in the soil along with those of the processed product.” CCC’s advertisement asserts that its processing plant will have an anticipated production capacity of approximately 2,592,000 bags of fertilizer per month.

- E. CCC has engaged in an unregistered and non-exempt public offering of its securities through its website. In its “Confidential Private Offering Memorandum,” which is available on its website, CCC represents that it is offering shares of stock in CCC in its effort to raise up to \$50,000,000 in capital. The memorandum states that the minimum number of shares offered to purchasers is 1,000 shares of “Class A Common non-voting Shares at \$7.50 per share.” A Pre-Subscription Agreement published by CCC and available on its website directs that the \$7,500.00 minimum investment must be tendered in the form of certified funds or by wire transfer only, and that the offer is limited to investors between the ages of 25 to 55, or others by written permission.
- F. The stock offered for sale by CCC is a security as defined by the Act.
- G. The evidence will reflect that CCC and Laughlin have failed to register the security offered by CCC with the Arkansas Securities Department as required by the Act. Further, the evidence will prove that CCC and Laughlin have failed to apply to the Arkansas Securities Department for an exemption from registration of the security offered.
- H. The evidence demonstrates that the offering for sale of the CCC stock poses a risk to potential investors, and that CCC and Laughlin should cease and desist from publicly offering these unregistered securities for sale, and that all advertisements, solicitations for sale, and sales of these unregistered securities should terminate immediately.

CONCLUSIONS OF LAW

2. This matter is properly before the Commissioner pursuant to Ark. Code Ann. § 23-42-209.

3. The shares of stock offered for sale by CCC and Laughlin are securities as defined by Ark. Code Ann. § 23-42-102(15)(A).

4. It is unlawful for any person to offer or sell any security in Arkansas unless the security is registered with the Arkansas Securities Department, the security or transaction is exempted from registration under the Act, or the security is a covered security as defined by the Act. Ark. Code Ann. § 23-42-501. CCC and Laughlin have violated Ark. Code Ann. § 23-42-501 by using the internet and other means to offer publicly securities that are neither registered nor exempt from registration. The continued offer of the unregistered and nonexempt securities poses a substantial risk to potential investors.

5. Whenever it appears to the Commissioner, upon sufficient grounds and evidence satisfactory to the Commissioner, that any person has engaged in or is about to engage in any act or practice that is a violation of the Act, the Commissioner may summarily order the person to cease and desist from the act or practice. Ark. Code Ann. § 23-42-209(a)(1)(A). Based on the Findings of Fact and Conclusions of Law, this Order is in the public interest and is appropriate pursuant to Ark. Code Ann. § 23-42-209.

ORDER

IT IS ORDERED that Creative Chicken Company and Owen Laughlin shall immediately CEASE AND DESIST from selling or offering to sell, unregistered and nonexempt securities in the form of shares of stock in Creative Chicken Company.

IT IS FURTHERED ORDERED THAT Creative Chicken Company and Owen Laughlin shall immediately CEASE and DESIST from advertising the sale of its unregistered and nonexempt securities. This prohibition on advertising shall include offering the unregistered and nonexempt securities to potential investors through all forms of marketing, including but not limited to, telephone solicitations; solicitations by direct or electronic mail; advertisements by newspaper, television, radio, internet website; or any other means. Any forms of such promotion of the unregistered and nonexempt securities currently in the marketplace shall be immediately removed and made inaccessible to the public and potential investors.

IT IS FURTHER ORDERED that this matter shall remain under investigation by the Staff to determine if any further action against Creative Chicken Company and Owen Laughlin shall be appropriate, including but not limited to, potential actions relating to the sale of securities in violation of the Act or fraudulent conduct prohibited by Ark. Code Ann. § 23-42-507.

A hearing on this Order shall be held upon the written request of Creative Chicken Company or Owen Laughlin, if such request is received by the Commissioner within thirty days of the date of this Order. Such request should be addressed to the Commissioner and submitted to the following address:

Arkansas Securities Commisisoner
201 East Markham
Suite 300
Little Rock, Arkansas 72201

If no hearing is requested or ordered by the Commissioner, this Order will remain in effect until it is modified or vacated by the Commissioner. Ark. Code Ann. § 23-42-209(a)(2).

A handwritten signature in cursive script, reading "A. Heath Abshure", written over a horizontal line.

A. Heath Abshure
Arkansas Securities Commissioner

Date: July 28, 2008