

**STATE OF ARKANSAS
SECURITIES DEPARTMENT**

IN THE MATTER OF

CONTECH HOLDINGS CORPORATION

ORDER PROVIDING A WAIVER OF
CERTAIN PROVISIONS OF THE
EXEMPTION PURSUANT TO ARK.
CODE ANN. § 23-42-504(a)(9)
NO. 00-003-S

FINDINGS OF FACT

1. On February 11, 2000, a letter was received by the Arkansas Securities Commissioner requesting that the proposed sale of shares of Class A Common Stock (the "Stock") in Contech Holdings Corporation (the "Company") to a key employee (the "Transaction") be determined to be an exempt transaction pursuant to Ark. Code Ann. § 23-42-504(a)(9).
2. The Company is a Delaware corporation, formerly known as Cardinal Holdings USA Corporation. The Company proposes to offer to sell the Stock to certain key employees of the Company or to certain key employees of one of its wholly owned subsidiaries.
3. The Company will offer to sell 4,145 shares of common stock to one key employee in Arkansas. The key employee is a regional sales manager who has been employed by the Company since July 6, 1976.
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").
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) in light of the key employee's longstanding employment with the Company and his management position with 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 the offering of securities.

2. It is not necessary or appropriate in the public interest for the protection of the investor for the Company to be required to register the Transaction under the Act for the purposes of the contemplated offering.

OPINION

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

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

ORDER

IT IS THEREFORE ORDERED that any Stock of Contech Holdings Corporation, offered or sold in Arkansas for the proposed Transaction, if offered and sold in compliance with the representations made in the letter of February 11, 2000 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 11th day of February 2000.



MAC DODSON
SECURITIES COMMISSIONER