

February 7, 2002

Glenn E. Borkowski
Williams & Anderson
Twenty-Second Floor
111 Center Street
Little Rock, Arkansas 72201

Re: Ashton Investments, LLC
No-Action: 02-002

Dear Mr. Borkowski:

The Department has received your letter, dated January 17, 2002, and a letter, dated December 7, 2001, from John Flake regarding the sale of units of Ashton Investments, LLC (the "Company") to two prospective tenants, Dr. Tony Tortorich and Clark Mason (the "Prospects"). You have requested confirmation that the staff will recommend that the Commissioner take no action to enforce the registration provisions of the Arkansas Securities Act (the "Act") with respect to the proposed transaction. The facts of the proposed transaction, as described in the letters, are briefly stated below.

In July of 2001, the Company filed a proof of exemption under Ark. Code Ann. § 23-42-504(a)(9) for the sale of its units. In accordance with this exemption, the investors purchased these units with investment intent. The purpose of this offering was to construct and manage an office building. This offering has been closed and the needed capital was raised.

The Prospects have approached the Company expressing an interest in obtaining an equity position in the building in which they would like to rent space. According to the management of the Company, the offering memorandum did not contemplate the addition of new members, but in light of the fact that these Prospects bring substantial value to the project in the strength of their leases, the Company would like to accommodate their requests. In order to maintain the current debt-to-equity ratio, the Company proposes to allow the Prospects to purchase units proportionally from the existing members who elect to participate. Alternatively, the Company may issue new membership units to the Prospects and then redeem the like amount of units from existing members. The transaction will be structured in accordance with the provisions of the Operating Agreement of the Company. It is your opinion that the sales to the

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Prospects by the existing members or by the Company as part of the redemption do not create a presumption that the members did not purchase with investment intent because this was an unforeseeable change of circumstances not contemplated at the time of their original investment.

Based upon these facts, as well as your opinions, the Staff will recommend that the Commissioner take no action to enforce the registration provisions of the Arkansas Securities Act with regard to the sale of units of the Company to the Prospects. Please note that the position of the Staff is based solely upon the representations made in the letters and applies only to the transaction identified therein. Different facts or circumstances might, and often would, require a different response. The position expressed deals only with anticipated enforcement action by the Department and does not purport to be a legal opinion.

Should you have any questions regarding this matter, please contact me at 324-8685.

Sincerely,
Ann McDougal
Deputy Commissioner