

**STATE OF ARKANSAS
SECURITIES DEPARTMENT**

IN THE MATTER OF

ARKANSAS SPINE & JOINT HOSPITAL,
L.L.C. AND LAND SOLUTIONS, L.L.C.

ORDER PROVIDING A
TRANSACTIONAL EXEMPTION
FROM REGISTRATION
ORDER NO. 02-004-S

FINDINGS OF FACT

1. On January 11, 2002, a letter was received by the Arkansas Securities Commissioner requesting that the proposed organization of Arkansas Spine & Joint Hospital, L.L.C. (the "Company"), the proposed organization of Land Solutions, L.L.C. (the "Land Company"), and the issuance of membership interests in the Company and in the Land Company (the "Membership Interests") to the organizers (the "Transaction") be determined to be an exempt transaction pursuant to Ark. Code Ann. Section 23-42-504(a)(12).
2. The Company is a limited liability company organized under the laws of the State of Arkansas. The Land Company is a limited liability company organized under the laws of the State of Arkansas. The Membership Interests consist of all of the Membership Interests to be issued upon organization of the Company and the Land Company.
3. The Members of the Land Company will be eleven (11) individual Arkansas residents, all of whom have been organizers of the Land Company.
4. The Members of the Company will be the same eleven (11) individuals and Physicians Hospital Development, L.L.C. ("PHD"), all of whom together with PHD have been organizers of the Company.

5. An exemption from registration has been requested pursuant to the Commissioner's discretionary authority under Ark. Code Ann. Section 23-42-504(a)(12). The organizers have all been involved in planning the organization of the Company and the Land Company. They have had the opportunity to be represented by individual counsel with respect to the organization of the Company and the Land Company. The prospective members have had access to financial and other information concerning the Company and the Land Company 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, particularly when what is involved is the organization of a limited liability company by persons who have all been organizers of the same.

CONSLUSIONS 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 organizers 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 organizers to be required to engage the services of a registered agent for the purpose of making sales of the Membership Interests.


OPINION

In recognition of the representations made by the Company and Land Company, it appears registration of this offering of Membership Interest is unnecessary in this instance. This Order does not exempt the organizers from the antifraud provisions of the Act.

ORDER

IT IS, THEREFORE, ORDERED that the securities offered or sold in Arkansas for the proposed Transaction, if offered and sold in compliance with the representations made in the letter dated January 11, 2002 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 16th day of January, 2002.


MICHAEL B. JOHNSON
SECURITIES COMMISSIONER