

**STATE OF ARKANSAS
SECURITIES DEPARTMENT**

IN THE MATTER OF

The ARC Project, Inc.

**ORDER PROVIDING A
TRANSACTIONAL EXEMPTION
FROM REGISTRATION
NO. 02-008-S**

FINDINGS OF FACT

1. On March 25, 2002, a letter was received by the Arkansas Securities Commissioner requesting that the proposed redemption and sale of shares of common stock (the "Stock") in The ARC Project, Inc. (the "Company") be determined to be an exempt transaction pursuant to Ark. Code Ann. § 23-42-504(a)(12).
2. The Company is a holding company, owning a majority of the limited partners' interests in each of: (i) Arkansas Times Limited Partnership, an Arkansas limited partnership (the "Times Partnership"), which publishes the *Arkansas Times* and other specialty publications; and (ii) Arkansas Business Limited Partnership, an Arkansas limited partnership (the "Business Partnership"), which publishes *Arkansas Business* and other specialty publications.
3. The Company has been in existence since August 16, 1974, and has approximately thirty (30) shareholders. Most of the Company's shareholders are party to and bound by a shareholders agreement, which provides an option, by way of right of first refusal, in the Company (and, if

not exercised by the Company, in the other shareholders) to acquire the shares of any Company shareholder who wishes to sell.

4. Two Company shareholders, party to the shareholders' agreement, desire to sell their entire holdings in the Company. The Company proposes, pursuant to the shareholders' agreement, to redeem these shares from the selling shareholders and simultaneously sell the redeemed shares to two individuals and a husband and wife (the "Transaction"). The two individuals are existing and longtime Company shareholders, and are increasing their holdings in the Company. Both individuals are senior executive officers of the Times Partnership. The husband and wife purchaser is not an existing shareholder of the Company, but the husband is a senior executive officer of the Business Partnership.
5. An exemption from registration has been requested pursuant to the Commissioner's discretionary authority under Ark. Code Ann. § 23-42-504(a)(12). Ownership in the Company and/or their positions as senior executive officers in the Partnerships has enabled the purchasers access to financial and other information concerning the 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.

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 Company 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 Company 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 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 securities offered or sold in Arkansas for the proposed Transaction, if offered and sold in compliance with the representations made in the letter of March 25, 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 28th day of March 2002.


MICHAEL B. JOHNSON
SECURITIES COMMISSIONER