

STATE OF ARKANSAS  
SECURITIES DEPARTMENT

IN THE MATTER OF:  
DELTA PLASTICS, INC.

ORDER PROVIDING  
A TRANSACTION EXEMPTION  
FROM REGISTRATION  
NO. 03-80004405-0R047

FINDINGS OF FACT

1. The Arkansas Securities Commissioner has received a letter dated May 23, 2003 (the "Letter"), regarding a certain transaction involving Delta Plastics, Inc. ("DPI"), an Arkansas corporation and the shareholders thereof. A copy of the Letter is attached hereto as Exhibit A. DPI and its stockholders identified in paragraph 2 below have requested that the sale and transfer of securities to DP RECAP Co., a Delaware corporation ("DPR"), and to Delta Plastics Holdings, Inc., a Delaware corporation which is the sole stockholder in and parent company of DPR ("DPH"), as described in the Letter, be determined to be an exempt transaction pursuant to Arkansas Code Annotated ("A.C.A.") Section 23-42-504(a)(12).

2. DPI is a corporation organized under the laws of the State of Arkansas. The stock of DPI is owned by Christopher Rakhshan, Lothar Schweigert, the Oh Family Trust u/d September 25, 2001, Don Kliska, and Ui Hwan O (collectively, the "Selling Stockholders").

3. The transferees of DPI's stock will be DPR and DPH.

4. An exemption from registration has been requested pursuant to the Commissioner's discretionary authority under A.C.A. Section 23-42-504(a)(12) with respect to the sale and transfer by the Selling Stockholders of all the capital stock in DPI to DPR and DPH as described more particularly in the Letter. DPI, DPR, DPH and the Selling Stockholders have been fully and completely involved in the negotiation regarding the transfer of securities of DPI, and all parties have

been represented in such negotiations by counsel. DPR and DPH have had access to financial and all other information concerning DPI as necessary to make an informed decision with respect to obtaining the capital stock of DPI. Based upon the foregoing, the transfer by the Selling Stockholders to DPR and DPH of all of the capital stock of DPI as described herein and in the Letter is not the type of transaction the Arkansas Securities Act (the "Act") is designed to protect by requiring registration thereof.

#### **CONCLUSIONS OF LAW**

1. Pursuant to Section 23-42-504(a)(12) of the Act, the Commissioner may order certain transactions exempt 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 the investors.
2. It is not necessary or appropriate in the public interest for the protection of investors for the parties to be required to register the securities of DPI to be transferred to DPR or DPH under the Act for the purposes of the contemplated transaction.
3. It is not necessary or appropriate in the public interest for the protection of investors for DPI or other parties to be required to engage the services of a registered agent for the purpose of making transfers of the securities in the contemplated transaction.

#### **OPINION**

In recognition of the representations made on behalf of DPI, it appears registration of the securities of DPI to be transferred to DPR and DPH by the Selling Stockholders in the transaction described herein and in the Letter is unnecessary in this instance.

This order does not exempt the parties from the antifraud provisions of the Act.

**ORDER**

IT IS THEREFORE ORDERED that the transfer of securities of DPI to DPR and DPH, if transferred in compliance with the representations made in the Letter 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 29<sup>th</sup> day of May, 2003.

  
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MICHAEL JOHNSON  
ARKANSAS SECURITIES COMMISSIONER

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May 23, 2003

*Via Hand Delivery (attention Ann McDougal)*

Michael Johnson, Securities Commissioner  
Arkansas Securities Department  
Heritage West Building  
201 East Markham, 3<sup>rd</sup> Floor  
Little Rock, AR 72201

**Re: Delta Plastics, Inc.**

Dear Commissioner Johnson:

The purpose of this letter is to provide to you specific information regarding a certain transaction whereby the shareholders of Delta Plastics, Inc., an Arkansas corporation ("DPI"), will transfer all of the shares of common stock of DPI to DP RECAP Co., a Delaware corporation ("DPR"), and to Delta Plastics Holdings, Inc., a Delaware corporation which is the sole stockholder and parent company of DPR ("DPH"), and to request a discretionary exemption from registration with respect to such transaction pursuant to your authority described in ARK. CODE ANN. § 23-42-504(a)(12).

As of the date of this letter, and prior to the closing of the aforementioned transaction, the owners of all of the issued and outstanding shares of common stock of DPI are as follows: Christopher Rakhshan, Lothar Schweigert, the Oh Family Trust u/t/d September 25, 2001, Dan Kliska, and Ui Hwan O (referred to herein collectively as the "Shareholders"). On the "Closing Date," as defined in that certain Stock Purchase Agreement by and between the Shareholders and DPR, the Shareholders will sell to DPR all of the issued and outstanding shares of common stock of DPI, less certain Rollover Shares as further described below, in consideration for the Purchase Price, as set forth in the Stock Purchase Agreement. The Closing Date is anticipated to be on or around June 6, 2003.

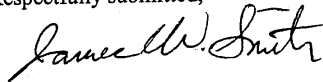
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The Rollover Shares will consist of a certain number of shares of common stock of DPI owned by Christopher Rakhshan and a certain number of shares of common stock of DPI owned by the Oh Family Trust u/t/d September 25, 2001. The Rollover Shares will be contributed to DPH in exchange for a combination of common stock of DPH and preferred stock of DPH, which will represent a minority interest in DPH. The contribution of the Rollover Shares is also anticipated to occur on or around June 6, 2003.

We are requesting the grant of a discretionary exemption from registration for the above described transaction pursuant to your authority as described in ARK. CODE ANN. § 23-42-504(a)(12). We have enclosed herewith a draft order for your consideration. Please let us know if you require anything further from us or if we can assist you in any way. Thank you for your consideration of this matter.

Respectfully submitted,



James W. Smith

JWS/sa  
Enclosures

cc: Ms. G. Ann McDougal