

**STATE OF ARKANSAS  
SECURITIES DEPARTMENT**

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**IN THE MATTER OF**

**CITY PLUMBING, HEATING AND  
ELECTRIC, INC.**

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**ORDER PROVIDING A  
TRANSACTIONAL EXMPTION  
FROM REGISTRATION**

**ORDER NO. 07-80006820-OR002**

**FINDINGS OF FACT**

1. On January 10, 2007, a letter was received by the Arkansas Securities Commissioner requesting that the proposed offering and sale of fifty percent (50%) of the issued and outstanding capital stock (the "Stock") of City Plumbing, Heating and Electric, Inc. (the "Company") in a redemption by the Company (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 corporation organized under the laws of the State of Arkansas. The Stock shall consist of fifty percent of the issued and outstanding capital stock of the Company owned by Dixie Gossett (the "Seller").

3. The Buyer is the Company, with remaining stockholders Richard Bonte, Ronald Carroll and Elwen Guthrie: (the "Buyer").

4. 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 Seller and the remaining stockholders of Buyer have fully and completely been involved in the negotiation of an agreement for the sale of the Stock. Neither Buyer nor Seller was represented by legal counsel in these negotiations.

Corporate counsel has been engaged to draft the negotiated terms. Seller is not presently represented by counsel. The Buyer has had 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") is designed to protect by requiring registration, particularly when what is involved is the sale of a business.

### CONCLUSIONS OF LAW

1. Pursuant to 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 Seller 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 Seller to be required to engage the services of a registered agent for the purpose of making sales of the Company's securities.

### OPINION

In recognition of the representations made by the Seller, it appears registration of this offering of shares of common stock is unnecessary in this instance.

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

**ORDER**

**IT IS THEREFORE ORDERED** that any securities of City Plumbing, Heating and Electric, Inc. offered or sold in Arkansas for the proposed Transaction, if offered and sold in compliance with the representations made in the letter of January 8, 2007 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 18<sup>th</sup> day of January, 2007.



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**MICHAEL JOHNSON  
SECURITIES COMMISSIONER**