

May 21, 1998

Donnie Rutledge

LISLE Law Firm

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Springdale, Arkansas 72764-5273

Re: Designs In Glass, Inc.

No. 98-008

Dear Mr. Rutledge:

The Department has received your letter, dated April 28, 1998, regarding the sale of all of the stock of Designs In Glass, Inc. (the "Company") by Mr. and Mrs. Cox (the "Sellers"). The potential purchaser of the stock is John Newlun, who is the general manager of the Company's retail location. In your letter, you request that the Department clarify that the exemption from registration provided for in Rule 504.01(A)(12)(I) of the Rules of the Arkansas Securities Commissioner (the "Rules") would still be available in light of the seller's continued involvement with the Company and that the staff of the Department recommend to the Commissioner that no enforcement action be taken. A brief summary of the facts surrounding this transaction, as more fully described in your letter, is set forth below.

The terms of the transaction as described in your letter appear to meet the requirements of the exemption provided for in Rule 504.01(A)(12)(I) . Mr. Cox, one of the sellers, will continue to have an involvement in the Company as a member of the Board of Directors. The seller's involvement will cease when the Mr. Newlun liquidates all amounts owned on the five-year promissory note that the buyer is signing to purchase the stock. The continue involvement in the Company by one of the sellers does not appear to affect the availability of the "100% Sale of a Business" exemption.

Based upon the representations and opinions expressed in your letter, the staff will recommend that the Commissioner take no action to enforce the registration provisions of the Act if the transaction relies on the self-executing exemption provided for in the Rule 504.01(A)(12)(I). Please note that the position of the Department is based solely upon the representations in your letter and applies only to the transactions 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.

Sincerely,

Ann McDougal
Assistant Commissioner