

July 9, 1998

Scott M. Simmons

Peel & Simmons, P.A.

120 South Glenwood Avenue

P.O. Box 986

Russellville, AR 72811

Re: Hughes Transport, Inc. and Hughes Contract Logistics, Inc.

No. 98-010

Dear Mr. Simmons:

The Department has received your letter, dated July 8, 1998, along with the Real Estate Contract (the "Contract") regarding the sale of 100% of the stock in Hughes Transport, Inc. and Hughes Contract Logistics, Inc. (the "Companies") owned by Ron Hughes (the "Seller") to C. Ralph and Loni Taylor (the "Buyers"). You have requested confirmation that the staff will recommend that the Commissioner take no action to enforce the registration provisions of the Arkansas Securities Act (the "Act") with respect to the proposed transaction. The facts of the proposed transaction, as described in your letter, are briefly stated below.

The Contract was presented to the Seller for the purchase of the equipment, goodwill and real estate associated with the trucking and brokerage business he operated as the Companies. The offer was presented to the Seller by a licensed real estate agent (the "Agent") on behalf of the Buyers. The Contract states that the Agent represents the Buyers and there is no listing agent. Pursuant to subsequent negotiations between the Seller's accountant and the Buyers' accountant and attorney, the form of the transaction was changed so that the Buyers would purchase 100% of the stock of the Companies. The Agent was not involved in the subsequent negotiations.

Rule 504.01(A)(12)(I)(iv) of the Rules of the Arkansas Securities Commissioner (the "Rules") states that in connection with the sale of 100% of a business, no commission or other remuneration may be paid or given directly or indirectly to any person for soliciting any prospective purchaser. You state that the commission to be paid is not for the sale of the securities. The commission was earned at the time the Contract was entered into by the Seller and the Buyers for the purchase of the equipment, goodwill and real estate. It is your opinion that the fact that the transaction changed from an asset purchase to a stock purchase should not effect the exemption available under Rule 504.01(A)(12)(I).

Based upon the opinions and representations contained in your letter and the Contract, the Department will recommend that the Commissioner take no action to enforce the registration provisions of the Act if the securities are offered and sold in the manner described in reliance upon the exemption from registration provided in Rule 504.01(A)(12)(I). Please note that the position of the Department is based solely upon the representations in your letter and the Contract 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.

If you have any questions regarding this matter, please contact the undersigned.

Sincerely,

Ann McDougal
Assistant Commissioner