

March 4, 1999

Michael E. Long

Blumenfeld, Kaplan & Sandweiss, PC

168 North Meramec Avenue

St. Louis, Missouri 63105-3763

Re: Purina Mills, Inc.

No Action 99-002

Dear Mr. Long:

The Department acknowledges receipt of your letters, dated February 17 and February 25, 1999, regarding the proposed offering of a cattle management program (the "Program"), wherein you request confirmation that the staff will recommend that the Commissioner take no action to enforce the provisions of the Arkansas Securities Act (the "Act"), with respect to the offering. The facts of the proposed transaction, as understood from your letter, are briefly stated below.

Purina Mills, Inc. or an affiliate ("Purina") proposes to offer the Program to manage and care for a specified number of cattle through the pre-conditioning and growing phases and, when necessary, through the fattening phase. The Program will be offered to individual ranchers and farmers ("Participants") already engaged in the cattle business. Participants will own the cattle prior to entry into the Program and at all times during the program. All cattle will be clearly marked so that each Participant's herd can be readily identified. Participants will retain sole authority and discretion on when to sell their cattle. Purina will not share in the profits or losses realized by the Participants upon the sale of the cattle. Purina will be compensated by a management fee and reimbursed for the expenses related to the cattle. Participants will have significant discretion regarding the management of the cattle.

Based upon the opinions and representations contained in your letter, the Department will recommend that the Commissioner take no action to enforce the registration provisions of the Act if the Program is sold in the manner described in your letter. Please note that the position of the Department is based solely upon the representations in your letters 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