

STATE OF ARKANSAS
SECURITIES DEPARTMENT

IN THE MATTER OF

ORDER PROVIDING A
TRANSACTIONAL EXEMPTION
FROM REGISTRATION

ARKANSAS BREAD COMPANY, INC.

ORDER NO. 98-077-S

FINDINGS OF FACT

1. On December 29, 1998, a letter was received by the Arkansas Securities Commissioner requesting that the proposed acquisition of all the issued and outstanding shares of the capital stock (the "Stock") of Arkansas Bread Company, Inc. (the "Company"), by Gary Brandon Sewell ("Sewell") (the "Transaction"), be determined to be an exempt transaction pursuant to Ark. Code Ann. § 23-42-504(a)(12).
2. The Company is a corporation organized under the laws of the State of Arkansas and is domicated in Arkansas. The Stock consists of one hundred (100) shares of the capital stock of the Company owned by the sole shareholder, James R. Bradley (the "Seller").
3. The buyer will be Sewell, who is a resident of the State of Arkansas.
4. In connection with the Transaction, a fee will be paid to Lindsey Business Brokers, a division of Lindsey and Associates, Inc. ("Lindsey"), an Arkansas corporation based in Fayetteville, Arkansas. As represented in a letter to the Arkansas Securities Department dated December 30, 1998, Lindsey will become registered as a broker-dealer pursuant to Ark. Code Ann. §23-42-301 before transacting any further business in Arkansas as a broker-dealer.
5. An exemption from registration has been requested pursuant to the Commissioner's discretionary authority under Ark. Code Ann. § 23-42-504(a)(12). The Seller and Sewell have fully and completely been involved in the negotiation of an agreement for the acquisition of the Stock, and they have had the benefit of counsel. Sewell 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") was designed to protect by requiring registration, particularly when what is involved is the sale of a business.

CONCLUSIONS OF LAW

6. Under 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.
7. It is not necessary or appropriate in the public interest for the protection of investors for the Seller or the Company to be required to register the Stock under the Act for the purposes of the Transaction.

8. 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

9. In recognition of the representations made by the Seller, it appears registration of this Transaction is unnecessary in this instance.
10. This order does not exempt the Seller from the antifraud provisions of the Act.

ORDER

IT IS THEREFORE ORDERED that the Stock offered or sold in Arkansas in connection with the proposed Transaction, if offered and sold in compliance with the representations made in the letter of December 28, 1998, 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 30th day of December, 1998.

MAC DODSON

SECURITIES COMMISSIONER