

STATE OF ARKANSAS
SECURITIES DEPARTMENT

IN THE MATTER OF

DUNN INSURANCE AGENCY, INC.,

CITIZENS BANK AND FIRST

WESTERN BANCSHARES, INC.

ORDER PROVIDING A

TRANSACTIONAL EXEMPTION

FROM REGISTRATION

ORDER NO. 98-046-S

FINDINGS OF FACT

1. In a letter dated August 20, 1998, the Arkansas Securities Commissioner received a request involving the exchange of 100% of the common stock (the "Stock") of Dunn Insurance Agency, Inc. (the "Company") whereby Citizens Bank (the "Bank") will acquire all of the outstanding shares of the Company in exchange for shares of First Western Bancshares, Inc., (the "Holding Company") (collectively, the "Transaction"), to 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. The Stock consists of common stock owned by Donald A. Dunn and Melvin R. Dunn (the "Dunns"). Donald Dunn owns approximately 75% of the outstanding stock of the Company and is a director of the Bank.
3. The Bank is a state-chartered bank located in Booneville, Arkansas. The Holding Company is an Arkansas business corporation registered as a bank holding company under the Bank Holding Company Act of 1956. The Holding Company is the parent of the Bank.
4. The Transaction consists of the sale of all of the outstanding common shares of the Company in exchange for shares of the Holding Company. The Company will be operated as a wholly owned subsidiary of the Bank and the acquisition of the Company by the Bank has been approved by the Arkansas Bank Department.
5. Any transaction pursuant to the 100% sale of securities of a business entity is exempted pursuant to Rule 504.01(A)(12)(I) of the Rules of the Arkansas Securities Commissioner (the "Rules"). The sale of 100% of the outstanding stock of the Company appears to be an exempt transaction pursuant to Rule 504.01(A)(12)(I).
6. An exemption from registration has been requested pursuant to the Commissioner's discretionary authority under Ark. Code Ann. § 23-42-504(a)(12). The parties involved in the transaction have had access to financial and other information 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.

CONCLUSIONS OF LAW

7. 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.

8. It is not necessary or appropriate in the public interest for the protection of investors for the parties to be required to register the Transaction under the Act for the purposes of the contemplated offering.
9. It is not necessary or appropriate in the public interest for the protection of investors for the parties to be required to engage the services of a registered agent for the purpose of making sales of the securities.

OPINION

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

ORDER

IT IS THEREFORE ORDERED that any securities 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 August 20, 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 27 day of August, 1998.

MAC DODSON

SECURITIES COMMISSIONER