

STATE OF ARKANSAS
SECURITIES DEPARTMENT

IN THE MATTER OF

ORDER PROVIDING A
TRANSACTIONAL EXEMPTION
FROM REGISTRATION

COUNTRY CLUB RESORTS, INC.

ORDER NO 98-055-S

FINDINGS OF FACT

1. On October 2, 1998, a letter was received by the Arkansas Securities Commissioner requesting that the proposed offering and sale of all the issued and outstanding capital stock (the "Stock") of Country Club Resorts (the "Company") to Patrick L. Tubach and Gerrienne Tubach, husband and wife, (the "Transaction") be determined to be an exempt transaction pursuant to Ark. Code Ann. Section 23-42-504(a)(12).
2. The Company is a corporation organized under the laws of the State of Arkansas. The Stock consists of 1,000 shares owned by Delbert Peterson and Kristine Peterson, husband and wife, Patrick McFadden and Betty J. McFadden, husband and wife, and Chris N. Economos and Kathlees A. Economos, husband and wife, (the "Sellers").
3. The Buyers will be Patrick L. Tubach and Gerrienne Tubach, husband and wife (the "Buyers").
4. An exemption from registration has been requested pursuant to the Commissioner's discretionary authority under Ark. Code Ann. Section 23-42-504(a)(12). The Sellers and the Buyer have fully and completely been involved in the negotiation of an agreement for the sale of the Stock, and they have been represented in these negotiations by counsel. The Buyers have 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") is designed to protect by requiring registration, particularly when what is involved is the sale of a business.
5. Ward Jones Realtors, Inc., Siloam Springs, Arkansas, will receive a commission in the sum of \$64,000, representing 4% of the total stock sales price. The commission is considered a real estate commission and not a brokerage commission for placing the securities with the buyers. Ward Jones Realtors, Inc. is not registered pursuant to 23-42-301.
6. For tax reasons, the Sellers have elected to structure this transaction as a stock sale rather than a conveyance of the real estate and other assets of the business.

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 Sellers 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 Sellers to be required to engage the services of a registered agent for the purpose of making sales of the Company's securities.

OPINION

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

ORDER

IT IS THEREFORE ORDERED that any securities of the Company offered or sold in Arkansas for the proposed Transaction, if offered and sold in compliance with the representations made in the letter of September 24, 1998, and September 28, 1998, and in accordance with the Findings of Fact stated herein, shall be exempted from Sections 2342-501 and 23-42-502 of the Act.

WITNESS MY HAND AND SEAL this day of October, 1998.

REBECCA BERRY

DEPUTY SECURITIES COMMISSIONER