

**STATE OF ARKANSAS**  
**SECURITIES DEPARTMENT**

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IN THE MATTER OF

ORDER EXEMPTING THE  
OFFER AND SALE OF CERTAIN  
SECURITIES PURSUANT TO  
ARK. CODE ANN. § 23-42-504(a)(12)

COMMUNITY BANK LIFE &  
HEALTH INSURANCE COMPANY

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ORDER NO. 98-062-S

**FINDINGS OF FACT**

1. On November 10, 1997, Community Bank Life & Health Insurance Company (the "Issuer") received an exemption from the securities registration and sales literature filing provisions of the Arkansas Securities Act pursuant to Ark. Code Ann § 23-42-504(a)(9), which exemption was effective for a period of one year from that date.
2. During the course of the offering of the securities under such exemption, the Issuer encountered unanticipated regulatory delays associated with banking regulations which delayed the offering of its securities for approximately four months.
3. On November 16, 1998, the Commissioner received a request seeking an Order exempting the offer and sale of these securities from the registration provisions of the Arkansas Securities Act, or extending the period of effectiveness of the exemption.
4. The Issuer has represented that no offers or sales have been made by the Issuer or any agent of the Issuer subsequent to November 10, 1998.
5. It is not necessary or appropriate in the public interest for the protection of investors under these circumstances that the Issuer be required to file a new exemption filing.

**CONCLUSIONS OF LAW**

6. Arkansas Code Ann. § 23-42-504(a)(12) provides that the commissioner, by rule or order, may exempt from the provisions of Arkansas Code Annotated §§ 23-42-501 and 23-42-502 (the securities registration requirement and the sales literature filing requirement) any transaction for which he determines that the provisions of such sections are not necessary or appropriate in the public interest for the protection of investors.

**OPINION**

7. Since Arkansas Code Annotated § 23-42-504(a)(12) authorizes the Commissioner to exempt by order any security or transaction when he finds that it is not necessary or appropriate in the public interest for the protection of investors that such securities or transaction be registered, he accordingly has the authority to exempt securities or transactions by order upon such conditions as he deems appropriate. Under the circumstances presented, it is unduly burdensome to require the Issuer to initiate a new exemption filing process when, in fact, all

that is sought is an extension of the prior exemption. Therefore, given the fact that a new exemption filing would be duplicative and unduly burdensome under these circumstances, it is appropriate to extend the original exemption period from November 10, 1998 until June 10, 1999.

**ORDER**

IT IS THEREFORE ORDERED THAT:

The exemption granted to Community Bank Life and Health Insurance Company on November 10, 1997 (Arkansas Securities Department File No. 97-E0993-01), is hereby extended from and including November 10, 1998, until and including June 10, 1999, and offers and sales of the securities referenced therein shall be exempt from the securities registration and sales literature filing provisions of the Arkansas Securities Act.

Nothing in this Order shall be construed to limit the Commissioner's authority to enforce the provisions of Arkansas Code Annotated § 23-42-507.

WITNESS MY HAND AND SEAL this \_\_\_ day of November 1998.

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MAC DODSON

SECURITIES COMMISSIONER