

STATE OF ARKANSAS
SECURITIES DEPARTMENT

IN THE MATTER OF

ORDER PROVIDING A
TRANSACTIONAL EXEMPTION
FROM REGISTRATION

PSYCHCARE LLC

NO. 99-003-S

FINDINGS OF FACT

1. On February 12, 1999, a letter was received by the Arkansas Securities Commissioner requesting that the proposed offering and sale of all of the membership interests (the "Interests") of PsychCare LLC (the "Company") to Bradley Diner, M.D., Stuart Harris, M.D., Thomas C. Stinnett, M.D., Joe Bradley, M.D., Greg Kaczinski, M.D., Charles Gist, M.D., David Nguyer, M.D., Richard Owing, M.D., Charles L. Lewis, M.D., and Robert Rice, M.D., (the "Transaction") be determined to be an exempt transaction pursuant to Ark. Code Ann. § 23-42-504(a)(12).
2. The Company is a limited liability company organized under the laws of the State of Arkansas. The Interests will be owned 100% by the previously above mentioned persons.
3. An exemption from registration has been requested pursuant to the Commissioner's discretionary authority under Ark. Code Ann. § 23-42-504(a)(12). The Individuals have fully and completely been involved in the organization of the Company and have been represented in these negotiations by counsel. The individuals 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 of the type the Arkansas Securities Act (the "Act") was designed to protect by requiring registration.

CONCLUSIONS OF LAW

4. 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 is not being necessary or appropriate in the public interest for the protection of investors.
5. It is not necessary or appropriate in the public interest for the protection of investors for the Members to be required to register the Transaction under the Act for the purposes of the contemplated offering.
6. It is not necessary or appropriate in the public interest for the protection of investors for the Members to be required to engage the services of a registered agent for the purpose of making sales of the Interests in the partnership.

OPINION

7. In recognition of the representations made by the Company, it appears registration of this offering of Membership Interests is unnecessary in this instance.
8. This order does not exempt the Company 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 February 12, 1999, and in accordance with the Findings of Fact stated herein, shall be exempted from Sections 23-43-501 and 23-42-502 of the Act.

WITNESS MY HAND AND SEAL this 23rd day of February, 1999.

MAC DODSON

Arkansas Securities Commissioner