

STATE OF ARKANSAS
SECURITIES DEPARTMENT

IN THE MATTER OF

ORDER PROVIDING A WAIVER
OF CERTAIN PROVISIONS OF THE
EXEMPTION PURSUANT TO ARK.
CODE ANN. §23-42-504(a)(9)

CEI ENGINEERING ASSOCIATES,
INC.

NO. 99-064-S

FINDINGS OF FACT

1. On October 13 , 1999, and October 14, 1999, letters were received by the Arkansas Securities Commissioner requesting that the proposed offer and sale of up to thirty seven (37) treasury shares of its no par value common stock to seventeen (17) existing shareholders (the "Stock") of CEI Engineering Associates, Inc. (the "Company") and then to the extent any of the thirty-seven (37) shares are not subscribed for by the existing shareholders prior to the Preemptive Rights Expiration Date, to offer such shares to four (4) mid-level managers of the Company (the "Transaction) be determined to be an exempt transaction pursuant to Ark. Code Ann. §23-42-504(a)(9).
2. The Company is a civil engineering and surveying firm located in Bentonville, Arkansas, with regional offices in California, Florida, Georgia, Tennessee and Texas.
3. The Company is an Arkansas corporation formed on December 15, 1987.
4. The Company filed a proof of exemption pursuant to Ark. Code Ann. §23-42-504(a)(9) and Rule 504.01(A)(9) of the Rules of the Arkansas Securities Commissioner (the "Rules") which was declared effective on October 18, 1999.
5. Pursuant to Rule 504.01(A)(9)(b), the Company has requested a waiver of the requirement that the investment not exceed twenty percent (20%) of any unaccredited purchaser's net worth (net worth includes home, furnishings and automobiles) due to the fact that the investors are mid-level managers who may not meet the suitability requirements.

CONCLUSIONS OF LAW

6. Pursuant to Rule 504.01(A)(9)(a), the Commissioner may waive any such requirements of Rule 504.01(A)(9) that apply to offerings of securities.
7. It is not necessary or appropriate in the public interest for the protection of investors for the Company to be required to register the Transaction under the Act for the purposes of the contemplated offering.

OPINION

In recognition of the representations made by the Company, it appears registration of this Transaction is unnecessary in this instance.

This order does not exempt the Company from the antifraud provisions of the Act.

ORDER

IT IS THEREFORE ORDERED that any securities of CEI Engineering Associates, Inc. offered or sold in Arkansas for the proposed Transaction, if offered and sold in compliance with the representations made in the letter of October 13, 1999 and October 14, 1999 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 28th day of October, 1999.



MAC DODSON
SECURITIES COMMISSIONER