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ARKANSAS SECURITIES DEPARTMENT

March 8, 2005

Joseph L. Broom, Esq.
Parsons, Behle & Latimer
201 South Main Street, Suite 1800
Salt Lake City, Utah 84111-2218

**RE: ClearOne Communications, Inc.
Final Judgment and Order of Dismissal with Prejudice
No Action No. 05-90000331-NA002**

Dear Mr. Broom:

This Department is in receipt of your letter dated March 2, 2005, requesting that an Interpretive Opinion or No-Action Letter be issued on behalf of your client, ClearOne Communications, Inc. ("ClearOne" or the "Company"). Your letter requests an Interpretive Opinion, which we do issue, but this transaction appears to better suit a No-Action letter. It would appear that the proposed issuance of shares, which you more fully outline in your letter, does qualify for an existing exemption from registration. We will issue a No-Action letter based on the facts and circumstances as outlined in your letter and accompanying documents. The facts, as more fully set out in your letter, are as follows:

"In connection with the settlement of a federal class action lawsuit against the Company, the Company agreed to pay \$5 million to the members of the plaintiff class (the "Claimants") and to issue to them 1,200,000 shares of the Company's common stock (the "Settlement Stock"). The Claimants are present and/or former stockholders of the Company. The terms of the settlement were approved by the United States District Court, District of Utah, Central Division, which found that the terms and conditions of the distribution of the Settlement Stock as part of the settlement were fair, reasonable, adequate, in the best interests of the Claimants and that the distribution was exempt from the registration requirements of the Securities Act. A copy of the order issued by the District Court is enclosed for your reference.

Lead counsel for the Claimants has now provided the company with a state-by-state breakdown of the Claimants and the number of shares of Settlement Stock to be received by each Claimant. The Company now proposes to proceed with the issuance of the Settlement Shares to the Claimants, including the issuance of 309 shares of such stock to five (5) residents of the State of Arkansas."

As you have noted in your letter, although the Arkansas Securities Act does not contain an exemption that directly corresponds to §3(a)(10) of the Securities Act of 1933, and although not an exempt transaction, per se, the issuance of the shares as you have outlined in your letter

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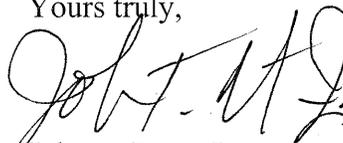
does allow Ark. Code Ann. §23-42-102(13)(B)(iv) to apply. The staff's recommendation of no enforcement action by the Department is given impetus by Ark. Code Ann. §23-42-102(13)(B)(iv).

Based upon your representations as set forth above, and more particularly in your letter, the staff of the Department will not recommend enforcement action to the Commissioner if common stock in the Company is issued as represented, and as required by the settlement as set out in the Final Judgment and Order of Dismissal With Prejudice in case number 2:03-CV-00620PGC without a registration or exemption filing being made with the Department.

Please note that the position of the staff of the Department is based upon the representations that you have made in your letter referenced above. Different facts and circumstances might well result in a different position being taken. Additionally, the position expressed deals only with anticipated or possible enforcement action, and does not purport to be a legal opinion or to affect any civil liability that may exist.

Should you have any questions, please contact me.

Yours truly,

A handwritten signature in black ink, appearing to read "John T. Root, Jr.", written in a cursive style.

John T. Root, Jr.
Staff Attorney