

**STATE OF ARKANSAS
SECURITIES DEPARTMENT**

IN THE MATTER OF.
AUTOLOGOUS WOUND THERAPY, INC

ORDER DIRECTING INVESTIGATION
AND EMPOWERING OFFICERS
PURSUANT TO ARK. CODE ANN. § 23-42-205

NO. 00-005-S

I.

The staff of the Arkansas Securities Department has in its possession certain evidence which, if true, indicates that shares of the common stock of Autologous Wound Therapy, Inc. ("Autologous") are being sold to residents of Arkansas without compliance with the registration provisions of the Arkansas Securities Act ("Act"), specifically:

Ark. Code Ann. § 23-42-501, which makes it unlawful for any person to offer or sell any security in this State unless:

- (1) It is registered under the Act; or
- (2) The security or transaction is exempted under §§ 23-42-503 or 23-42-504 of the Act; or
- (3) It is a covered security.

The information obtained by the Arkansas Securities Department further indicates that the shares of common stock of Autologous are being sold to residents of Arkansas by numerous broker-dealers and agents under the belief that such shares are exempt from registration pursuant to Ark. Code Ann. § 23-42-504(a)(2). Preliminary investigation and discussions with counsel for Autologous indicate that Ark. Code Ann. § 23-42-504(a)(2) is not available to exempt the sale of the shares from the registration provisions of the Act. Any sales of shares of Autologous made in reliance on an exemption pursuant to Ark. Code Ann. § 23-42-504(a)(2), should such provision prove inapplicable, may be subject to rescission by the purchasers thereof under Ark. Code Ann. § 23-42-106.

II.

The Arkansas Securities Commissioner is empowered by Ark. Code Ann. § 23-42-205 to make investigations to determine whether any provision of the Arkansas Securities Act or any rule or order promulgated pursuant thereto has been violated.

III.

The Arkansas Securities Commissioner, or any officer designated by him, is further empowered by Ark. Code Ann. § 23-42-205 to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records which are deemed to be relevant.

IT IS THEREFORE THE ORDER OF THE SECURITIES COMMISSIONER OF THE STATE OF ARKANSAS, pursuant to Ark. Code Ann. § 23-42-205, that an investigation be commenced to determine what action, if any, should be taken in the above referenced matter, and the Securities Commissioner hereby appoints John E. Moore, Jr. and Ann McDougal, as officers for the Department, pursuant to Ark. Code Ann. § 23-42-205 as aforesaid, to conduct an investigation and administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, correspondence, memoranda, agreements and other documents and records which are deemed to be relevant.

IT IS FURTHER ORDERED that all documents, written memoranda, testimony and other information obtained pursuant to this Order be restricted to the non-public files of the Department until or unless otherwise released, in writing, by subsequent order of the Commissioner.

WITNESS MY HAND AND SEAL THIS 28th DAY OF FEBRUARY, 2000.



MAC DODSON
ARKANSAS SECURITIES COMMISSIONER