

STATE OF ARKANSAS
SECURITIES DEPARTMENT

IN THE MATTER OF	ORDER PROVIDING A
	TRANSACTIONAL EXEMPTION
CHEM-FAB CORPORATION, AIRBORNE SUPPLY,	FROM REGISTRATION
INC., AIRBORNE NACELLE SERVICES, INC.	NO. <u>00-038-S</u>
AND FRS PROPERTIES (the "Companies")	

FINDINGS OF FACT

1. On July 17, 2000, a letter was received by the Arkansas Securities Commissioner requesting that the proposed offering and sale of all of the issued and outstanding capital stock of Chem-Fab Corporation, Airborne Supply, Inc., and Airborne Nacelle Services, Inc. and all of the outstanding partnership interests of FRS Properties (collectively, the "Securities") to two wholly-owned subsidiaries of Triumph Group, Inc. (the "Transaction") be determined to be an exempt transaction in accordance with Rule 504.01(A)(12)(1) of the Rules of the Arkansas Securities Commissioner and the Commissioner's authority under Section 23-42-504(a)(12) of the Arkansas Securities Act (the "Act").

2. The Companies are all organized and existing corporations and a partnership under the laws of the State of Arkansas. The Securities are owned in varying percentages by Loren Furnas, the Estate of Ronald E. Reagan, Thomas Butler, Anthony McAnly, and Aircraft Specialty Sales Limited Partnership, LLLP, an Arkansas

limited liability limited partnership (collectively, the "Sellers").

3. The buyer will be two wholly-owned subsidiaries of Triumph Group, Inc. ("Triumph"), a publicly traded Delaware corporation headquartered in Pennsylvania (said subsidiaries of Triumph being referred to herein as the "Buyer").

4. Rule 504.01(A)(12)(1) of the Rules of the Arkansas Securities Commissioner (the "Rule") provides an exemption from registration for the following described transaction:

"100% SALE OF A BUSINESS. Any transaction pursuant to the one hundred percent (100%) sale of securities of a business entity provided:

- (i) There are no more than 7 purchasers;
- (ii) Each person purchases with investment intent and any certificates issued will bear an appropriate restrictive legend;
- (iii) Each person has access to information concerning the issuer;
- (iv) In connection with the transaction, no commission or other remuneration is paid or given directly or indirectly to any person, other than a business broker acting as such and meeting the conditions set forth in Rule 102.01(12), for soliciting any prospective purchaser;

(v) All parties have had the opportunity to consult with counsel."

5. The Sellers and the Buyer have been fully involved in the negotiation of an agreement for the sale of the Securities, and each has been represented in these negotiations by independent counsel. The Buyer has had access to financial and other relevant information concerning the Companies as is necessary to make an informed investment decision.

6. The Buyer will represent that it is purchasing the Securities with investment intent, and any certificates issued will bear an appropriate restrictive legend.

7. Triumph, the parent company of the Buyer, has engaged the services of a "finder." The finder involved in this matter generally has been retained by Triumph in the past for the purpose of locating potential acquisition candidates. The finder has acted on behalf of the Buyer, and its parent company, Triumph, and the cost for such services shall be borne entirely by Buyer or its parent company, Triumph.

8. Based upon the foregoing, the transaction is not of the type that the Act is designed to protect by requiring registration, particularly when what is involved is the 100% sale of a business.

OPINION

In recognition of the representations made by the Sellers, registration of this offering and sale of securities is unnecessary in this instance. This order does not exempt the Sellers from the anti-fraud provisions of the Act.

CONCLUSIONS OF LAW

1. Under Section 23-42-504(a)(12) of the Act, the Commissioner may by order exempt from Sections 23-42-501 and 23-42-502 of the Act transactions as not being necessary or appropriate in the public interest for the protection of investors.

2. The activities conducted by the finder as described herein and in the letter received by the Commissioner on July 17, 2000, do not constitute the solicitation of prospective purchasers as is prohibited by Paragraph (iv) of Rule 504.01(A)(12)(1) of the Rules of the Arkansas Securities Commissioner.

3. It is not necessary or appropriate in the public interest for the protection of investors for the Sellers to be required to register the Transaction under the Act for the purposes of the contemplated offering.

ORDER

It is therefore ordered that any Securities of the Companies offered or sold in Arkansas in the proposed Transaction, if offered and sold in compliance with the representations made in the letter of July 17, 2000, 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 21st day of July, 2000.



Mac Dodson
Securities Commissioner