

**STATE OF ARKANSAS
SECURITIES DEPARTMENT**

IN THE MATTER OF
COFFEE LEGENDS, INC.

ORDER PROVIDING A
TRANSACTIONAL EXEMPTION
FROM REGISTRATION
NO. 01-019-S

FINDINGS OF FACT

1. On April 6, 2001 a letter was received by the Arkansas Securities Commissioner requesting that the proposed offering and sale of shares of the common stock (the "Stock") of Coffee Legends, Inc., an Arkansas corporation (the "Company"), to two (2) individuals, John Blackington and Leon E. Lane (the "Purchasers"), (the "Transaction") be determined to be an exempt transaction pursuant to Ark. Code Ann. § 23-42-504(a)(12).

2. There are currently 100 shares of the Stock of the Company issued and outstanding. Pursuant to a written stock purchase agreement, the Purchasers have agreed to purchase a controlling interest in the Company by purchasing from the Company 102 to 112 shares of Stock for \$600,000.

3. In connection with the proposed sale, the Purchasers are paying a business brokerage fee of \$50,000 to Corporate Finance Associates of Dallas, Texas ("CFA"). CFA's sole involvement in the Transaction was to introduce the parties in Pulaski County, Arkansas for the possible purchase of coffee by the Purchasers. There was no advertising of the sale of the Stock by CFA or the Company and CFA did not advise the Company or the Purchasers regarding the structure of the Transactions, financing for the Transaction or otherwise.

4. Except for the payment of the brokerage fee to CFA, the Transaction would qualify for an exemption under Rule 504.01(A)(12)(i). The proposed sale would also qualify for an exemption under Rule 504.01(A)(12)(l) except that 100% of the business is not being sold to the Purchasers.

4. An exemption from registration has been requested pursuant to the Commissioner's discretionary authority under Ark. Code Ann. § 23-42-504(a)(12). The Purchasers have had access to financial and other information concerning the Company as is necessary for them to make an informed investment decision. Based upon the foregoing, the Transaction is not the type the Arkansas Securities Act (the "Act") was designed to protect by requiring registration.

CONCLUSIONS OF LAW

1. 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 as not being necessary or appropriate in the public interest for the protection of investors.

2. 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 offer and sale of Stock to the Purchasers.

3. It is not necessary or appropriate in the public interest for the protection of investors for the Company to be required to engage the services of a registered agent for the purpose of the offer and sale of the Stock to the Purchasers.

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 Stock 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 April 6, 2001, 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 9th day of April 2001.



MAC DODSON
SECURITIES COMMISSIONER