

**STATE OF ARKANSAS  
SECURITIES DEPARTMENT**

IN THE MATTER OF

**ORDER PROVIDING A  
TRANSACTIONAL EXEMPTION  
FROM REGISTRATION**

CORPORATE BENEFITS SOLUTIONS, INC.

**ORDER NO. 02-001-S**

**FINDINGS OF FACT**

1. On December 31, 2001, a letter was received by the Arkansas Securities Commissioner requesting that the proposed offer and sale of all of the issued and outstanding shares of the stock (the "Stock") of Corporate Benefit Solutions, Inc. (the "Company"), to CoreSource, Inc. (the "Transaction"), be determined to be an exempt transaction pursuant to Ark. Code Ann. § 23-42-504(a)(12).
2. The Company is a corporation organized under the laws of the State of Arkansas. The Stock consists of one hundred percent (100%) of the issued and outstanding shares of the stock of the Company owned by Robert A. Bracy, Robert P. Bridwell, Vivian N. Joiner and James D. Lewis (the "Sellers").
3. The buyer will be CoreSource, Inc. (the "Buyer"). The Buyer is a corporation organized under the laws of the State of Delaware. The Buyer is an "accredited investor" within the meaning of Section 2(15)(ii) of the Securities Act of 1933 and the Rules promulgated thereunder.

4. David A. Charleson, a business broker and attorney from Palo Alto, California (“Charleson”), will be paid a commission or other remuneration by the Sellers for soliciting the Buyer. Charleson maintains no place of business in this State and has not directed and will not direct more than fifteen (15) offers to buy or sell into this State during any period of twelve (12) consecutive months.
5. An exemption from registration has been requested pursuant to the Commissioner’s discretionary authority under Ark. Code Ann. § 23-42-504(a)(12). The Sellers and the Buyer have fully and completely been involved in the negotiation of an agreement for the sale of the Stock, and they have been, or had the opportunity to be represented in these negotiations by counsel. The Sellers and the Buyer have had access to financial and other information concerning the parties as is necessary 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 Sellers or the Buyer to be required to register the Transaction under the Act for the purposes of the contemplated offering.

3. It is not necessary or appropriate in the public interest for the protection of investors for the Sellers or the Buyer to be required to engage the services of a registered agent for the purpose of making sales of the securities.

**OPINION**

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

This order does not exempt the Sellers or the Buyer from the antifraud provisions of the Act.

**ORDER**

IT IS THEREFORE ORDERED that the Stock offered or sold in Arkansas for the proposed Transaction, if offered and sold in compliance with the representations made in the letter of December 31, 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 2nd day of January 2002.

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MICHAEL B. JOHNSON  
SECURITIES COMMISSIONER