

STATE OF ARKANSAS  
SECURITIES DEPARTMENT

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IN THE MATTER OF

ORDER PROVIDING A  
TRANSACTIONAL EXEMPTION  
FROM REGISTRATON

DAVIS SOUTH FARMS, INC.

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ORDER NO. 05-80005375-OR004

FINDINGS OF FACT

1. On or about February 18, 2005, a letter was received by the Arkansas Securities Commissioner requesting that the proposed offering and sale of 10 shares of capital stock (the "Stock") of Davis South Farms, Inc., to Drew Davis (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 involved in the sale consists of 10 shares of capital stock of the Company owned by Shannon Davis (the "Seller").

3. The Buyer will be Drew Davis (the "Buyer").

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 Seller 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. Further, The Seller and the Buyer have had access to financial and other information concerning the Company 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.

### CONSLUSIONS OF LAW

1. Under § 23-42-504(a)(12) of the Act, the Commissioner may be order exempt certain transactions from § 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 Seller 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 Seller 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 Buyer, it appears registration of this Transaction is unnecessary in this instance.

This Order does not exempt the Seller or the Buyer from the antifraud provisions of the Act.

### ORDER

IT IS THEREFORE ORDERED that any securities of Davis South Farms, Inc. offered or sold in Arkansas for the proposed Transaction, if offered and sold in compliance with the representations made in the letter received on February 18, 2005 and in accordance with the Findings of Fact stated herein, shall be exempted from § 23-42-501 and § 23-42-502 of the Act.

WITNESS MY HAND AND SEAL this 29<sup>th</sup> day of February, 2005.

  
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MICHAEL B. JOHNSON  
SECURITIES DEPARTMENT