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ARKANSAS SECURITIES DEPT.

BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO. S-10-0155

IN THE MATTER OF: **Order No. S-10-0155-11-OR01**

Atossa Genetics, Inc. **RESPONDENT**

CONSENT ORDER

This Consent Order is entered pursuant to the Arkansas Securities Act, codified at Ark. Code Ann. §§ 23-42-101 through 23-42-509 ("Act"), the Rules of the Arkansas Securities Commissioner ("Rules") promulgated under the Act and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-201 through 25-15-219 in accordance with an agreement by and between the Staff of the Arkansas Securities Department ("Staff") and Atossa Genetics, Inc. ("Atossa") in full and final settlement of all claims that could be brought against Atossa by the Staff on the basis of the facts set forth herein.

Atossa admits the jurisdiction of the Act and the Arkansas Securities Commissioner ("Commissioner"), waives its right to a formal hearing, consents to the entry of this order, and agrees to abide by its terms. Atossa also agrees that entry of this order has no impact on its civil liability to Arkansas investors under Ark. Code Ann. § 23-42-106 for the violations detailed below.

FINDINGS OF FACT

1. On or about January 21, 2010, agents or employees of Atossa made sales of securities in an Atossa offering to an Arkansas resident.

2. On or about July 29, 2010, Atossa filed a Notice of Sale of Securities on United States Securities and Exchange Commission ("SEC") Form D with the Arkansas

Securities Department ("Department"). As part of this notice filing the Department received a $100.00 filing fee from Atossa.

3. In violation of Ark. Code Ann. § 23-42-509(c)(1) and Rule 509.01(B)(2) of the Rules of the Arkansas Securities Commissioner, Atossa failed to file the Notice of Sale of Securities on SEC Form D with the Department concerning the sale of securities in Arkansas within the required fifteen days.

CONCLUSIONS OF LAW

4. Atossa's filing of the Notice of Sale of Securities on SEC Form D with the Department approximately seven months after the sale of securities in the Atossa offerings to an Arkansas resident as detailed in paragraphs 1-3 is a violation of Ark. Code Ann. § 23-42-509(c)(1) and Rule 509.01(B)(2) of the Rules.

5. Entry of this Order does not affect the civil liability of Atossa under Ark. Code Ann. § 23-42-106 for Arkansas investors in the Atossa offerings.

ORDER

IT IS THEREFORE ORDERED that Atossa pay a fine in the amount of $500.00.

A. Heath Abshure
Arkansas Securities Commissioner

Sept. 7, 2011
Date

Kaycee Wolf
Staff Attorney

Atossa Genetics, Inc

By: Steven C Quay MD PhD

Title: CEO

Date: 09.01.2011