

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO. S-17-0102
ORDER NO. S-17-0102-17-OR01**

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**IN THE MATTER OF:
ARKANSAS PROVIDER COALITION, LLC**

ORDER APPROVING TRANSACTIONAL EXEMPTION

This Order is entered pursuant to the Arkansas Securities Act, codified at Ark. Code Ann. §§ 23-42-101 through 23-42-509 (“Act”), and the Rules of the Arkansas Securities Commissioner (“Rules”) promulgated under the Act.

FINDINGS OF FACT

1. On September 11, 2017, the Staff of the Arkansas Securities Department (“Staff”) received a letter from, John Lessel, an attorney representing the issuer, the Arkansas Provider Coalition, LLC (“Arkansas Provider Coalition”). Amongst other matters the letter requested that the number of purchasers allowed to purchase securities issue by the Arkansas Provider Coalition pursuant to Ark. Code Ann. § 23-42-504(a)(9) be increased from 35 to 50.

2. The Arkansas Provider Coalition will be a risk-based provider organization, which will be an administrative entity permitted under Ark. Code Ann. § 20-77-2706(b)(2).

3. The Arkansas Provider Coalition provided the following reasons for its request to increase the number of purchasers pursuant to Ark. Code Ann. § 23-42-504(a)(9) from 35 to 50. One, the only potential purchasers of securities issued by the Arkansas Provider Coalition are persons in the health care industry that are persons described in Ark. Code Ann. § 20-77-2706(a)(4) or are providing goods and services to the Arkansas Provider Coalition and/or participating providers. Two, all potential offerees have experience and expertise in the health care industry to properly evaluate the risks involved in purchasing securities issued by the Arkansas Provider

Coalition. Three, through regulation of the risk-based provider organization, the Arkansas Insurance Department will directly regulate the Arkansas Provider Coalition on an ongoing basis, including monitoring reserve requirements of Ark. Code Ann. § 20-77-2706(f)(4)(B) and reporting requirements of Ark. Code Ann. §§ 20-77-2706(f)(5)-(6) and 20-77-2707. Four, participating providers will have a significant role in determining the income from participating in the risk-based provider organization through payment for services rendered, participation in shared savings and in a performance-based incentive pool developed by the risk-based provider organization. Five, the Private Placement Memorandum of the Arkansas Provider Coalition will be provided to all offerees to satisfy the anti-fraud provisions of the Act.

CONCLUSIONS OF LAW

4. Pursuant to Ark. Code Ann. § 23-42-504(a)(9)(B), the Commissioner may by rule or order, as to any security or transaction or any type of security or transaction, withdraw or further condition this exemption, or increase or decrease the number of purchasers permitted. It is appropriate in the public interest for the protection of residents of the State of Arkansas for the number of purchasers allowed in Ark. Code Ann. § 23-42-504(a)(9) to be raised from 35 to 50 for the securities issued by the Arkansas Provider Coalition.

OPINION

Based upon the representations made by the Arkansas Provider Coalition, it appears that the number of purchasers allowed by Ark. Code Ann. § 23-42-504(a)(9) should be raised from 35 to 50 for said issuer.

ORDER

IT IS THEREFORE ORDERED that the number of purchasers allowed by Ark. Code Ann. § 23-42-504(a)(9), if offered and sold in compliance with the representations made in accordance

with the Findings of Fact stated herein, be raised for the securities issued by the Arkansas Provider Coalition from 35 to 50.

WITNESS MY HAND AND SEAL on this 14th day of September, 2017.

A handwritten signature in black ink, appearing to read "B. Edmond Waters". The signature is written in a cursive style with a large initial "B" and a long, sweeping underline.

B. Edmond Waters
Arkansas Securities Commissioner