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ARIZONA CORPORATION COMMISSION

JAMES MATTHEWS  
EXECUTIVE SECRETARY

SECURITIES DIVISION  
(602) 542-4242  
(602) 255-2600  
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August 26, 1991

Donald R. Reynolds, Esq.  
Wilson, Sonsini, Goodrich & Rosati  
Two Palo Alto Square  
Palo Alto, California 94306

RE: Businessland, Inc.  
A.R.S. § 44-1844(A)(2)

Dear Mr. Reynolds:

On the basis of the facts set forth in your letter of August 9, 1991, and in reliance upon your opinion as counsel, the Securities Division will not recommend enforcement action for violation of the Securities Act of Arizona should the transaction take place as set forth in your letter.

As this position is premised upon the facts set forth in your letter, it should not be relied on for any other set of facts or by any other person. Please also note that this position applies only to the registration requirements of the Act; the anti-fraud provisions of the Act continue to be applicable.

We have attached a photocopy of your letter. By doing this we are able to avoid having to recite or summarize the facts set forth therein. In addition, we have attached the text of our proposed Rule R14-4-137, which provides an exemption for securities issued pursuant to court or governmental order. Please note that there are certain conditions which must be satisfied in order to qualify for the exemption, which is modeled after the applicable Federal Securities Law exemption under Section 3(a)(10).

Very truly yours,

A handwritten signature in cursive script, appearing to read "Dee Ridell Harris".

DEE RIDDELL HARRIS  
Director of Securities

DRH:MGB:wjw

Attachment

# WILSON, SONSINI, GOODRICH & ROSATI

PROFESSIONAL CORPORATION

TWO PALO ALTO SQUARE  
PALO ALTO, CALIFORNIA 94306

TELEPHONE: (415) 493-8300

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JOHN ARNOT WILSON  
COUNSEL

August 9, 1991

Michael Burton, Esq.  
Arizona Corporation Commission  
Securities Division  
234 North Central Avenue, Suite 425  
Phoenix, Arizona 85004

RE: Request for "No Action"  
Businessland, Inc.

Dear Mr. Burton:

We are writing on behalf of Businessland, Inc. (the "Company") in connection with the issuance of 2,000,000 shares of Common Stock (the "Shares") in the transaction outlined below. The issuance of the Shares will be made in reliance upon an exemption from registration available under Section 44-1844(A)(2) of the Arizona Revised Statutes, and in reliance upon exemption from registration under Section 3(a)(10) of the Securities Act of 1933, as amended. We respectfully request that the Arizona Corporation Commission take "no action" against the Company in connection with this issuance.

In furtherance of our request, we submit the following:

1. The Shares are to be issued in accordance with the terms and conditions of the judicially approved settlement of the securities class action entitled In re Businessland Securities Litigation, United States District Court, Northern District of California, San Jose Division, Case No. C-90-20476 RFP (the "Settlement") to those persons who purchased the Company's Common Stock from April 4, 1989 through August 6, 1990, except those persons who file valid and timely requests for exclusion from such class with the Court (the "Settlement Class"). As required by the Settlement, the Company has taken all steps to insure that the Shares have been registered on the New York Stock Exchange and will be freely tradeable by the members of the Settlement Class upon receipt.

In accordance with the terms of the Settlement, the Company has placed the Shares and \$2,000,000 in cash into an escrow account

with Bank of America, N.T. & S.A. (the "Escrow Agent"). The funds and the Shares will be distributed by the Escrow Agent as prescribed by order of the Court. The Company has instructed its stock transfer agent to transfer the Shares to the members of the Settlement Class as instructed by the Escrow Agent.

2. The Company has not yet been advised by counsel for the Settlement Class if any members of such Settlement Class are residents of the State of Arizona. Under the terms of the Settlement, the Company has been required to ensure that action has been taken under state securities laws to allow for the issuance of the Shares to the members of the Settlement Class; therefore, since the Company has not been advised as to the states in which the Settlement Class reside, the Company is required to undertake action in all fifty states.

It is our opinion that the transaction described above, while not contemplated under the Arizona securities law, should be deemed to be exempt based upon the facts as presented above. We respectfully submit that the transaction set forth above satisfies the intent of Section 44-1844(A)(2) as the Shares will be issued by a bank (in this case, the Escrow Agent), under the supervision and the direction of the District Court. In addition, the Shares will be tradeable by the members of the Settlement Class under Section 44-1843(A)(7) thus satisfying one of the terms of the Settlement. Finally, we submit that the grant of this request will expedite the execution of the terms of the Settlement which are designed to protect the interests of all claimants.

Based upon the foregoing, we respectfully request that the Commission take "no action" with respect to the Company's distribution of the Shares in accordance with the terms and conditions of the Settlement in reliance upon the exemption set forth under Section 44-1844(A)(2) of the Arizona Revised Statutes. A copy of the Stipulation of Settlement is enclosed herewith in support of the information provided above.

Finally, we can advise you that payment of the requisite fee for our request was made under separate letter, a copy of which is enclosed herewith.

Please acknowledge receipt of this letter by stamping as filed the enclosed copy of this letter, and returning it to the undersigned in the enclosed self-addressed, stamped envelope.

If you have any questions, or if you require any further information, please do not hesitate to contact me at the above number.

Sincerely,

WILSON, SONSINI, GOODRICH & ROSATI  
Professional Corporation

A handwritten signature in cursive script that reads "Don Reynolds".

Donald R. Reynolds

cc: Marianne Stark, Senior Legal Assistant