



STATE OF MISSOURI
OFFICE OF THE SECRETARY OF STATE

IN THE MATTER OF:

TOWNHOMES OF VALLEY)
HILLS, LLC,)
) Case No. AP-04-81
 Respondent.)
)

**ORDER INCREASING THE NUMBER OF TRANSACTIONS PERMITTED BY
RESPONDENT UNDER §409.2-202(14), RSMO CUM. 2003**

On September 21, 2004, the Respondent requested that the Commissioner of Securities issue an order pursuant to §409.2-203, RSMo Cum. 2003, which would apply to the Respondent’s upcoming offering of its Class “B” Membership Interests (“membership interests”). The Respondent proposed to make its offering pursuant to §409.2-202(14), RSMo Cum. 2003. This section exempts from the registration requirements sales of or offers to sell securities when, among other things, such sales or offers are limited to not more than 25 purchasers within a twelve-month period in this state. In connection with its offering, the Respondent requested that the Commissioner issue an order allowing not more than 40 purchasers to be present in this state within a twelve-month period.

The staff of the Registration Section recommends the commissioner issue this order.

NOW THEREFORE, IT IS HEREBY ORDERED that in the proposed offering by Respondent under the limited offering exemption in §409.2-202(14), RSMo Cum. 2003, the total allowable number of purchasers in the present 12-month period shall be increased to not more than forty purchasers of Respondent’s membership interests, provided that all the following conditions are met:¹

1. The Respondent may offer or sell its membership interests only to those persons who provide in-kind services (“in-kind investors”) in the construction of the Respondent’s 28 duplex units in the Townhomes of Valley Hills subdivision in Grain Valley, Missouri, except as provided in paragraph 3 below.
2. The total number of in-kind investors who purchase the Respondent’s securities shall not exceed 31.

¹ Unless otherwise noted, this Order incorporates all the definitions found in §409.1-102, RSMo Cum. 2003.

3. In addition to the above 31 in-kind investors, the Respondent may offer or sell its membership interests to no more than 9 persons.
4. The total number of purchasers of Respondent's membership interests will not exceed 40.
5. All persons purchasing membership interests shall:
 - a. invest in the Respondent's membership interests no more than 10% of the person's liquid net worth, and
 - b. have one of the following:
 - i. a gross income of \$45,000 and a net worth of \$45,000 (exclusive of home, home furnishings, and automobiles), or
 - ii. a net worth of \$150,000 (exclusive of home, home furnishings, and automobiles).
6. Respondent shall comply with all other provisions of §409.2-202(14), RSMo Cum. 2003.
7. This Order is limited in scope to the unique situation of the Respondents and shall have no future application to any other persons.

SO ORDERED this 6th day of October, 2004.

MATT BLUNT
Secretary of State



Douglas M. Ommen
Commissioner of Securities