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SECRETARY OF STATE STATE OF MISSOURI

SECURITIES DIVISION (573) 751-4136

April 8, 2005

Mr. Joseph Broom Parsons, Behle & Latimer 201 South Main Street Suite 1800 Salt Lake City, UT 84111

Re: ClearOne Communications, Inc., No-Action Request pursuant to §409.6-605(d), RSMo Cum. Supp. 2004. File No. 2005-00327

Dear Mr. Broom,

On behalf of your client, ClearOne Communications, Inc., you have requested that the Missouri Securities Division take no action to require registration of the issuance of Settlement Stock to Missouri residents. You made the following representations, among others, in your correspondence.

- 1. ClearOne Communications, Inc., ("ClearOne") is a Utah Corporation.
- 2. In connection with the settlement of a federal class action lawsuit against ClearOne, ClearOne agreed to pay \$5 million to the members of the plaintiff class (the "Claimants"), consisting of present and/or former stockholder's of ClearOne, and to issue them 1,200,000 shares of ClearOne's common stock (the "Settlement Stock").
- 3. The terms of the settlement were approved by the United States District Court, District of Utah, Central Division, which found that the terms and conditions of the distribution of the Settlement Stock as part of the settlement were fair, reasonable, adequate, and in the best interests of the Claimants.
- 4. The Court also found that the distribution was exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to § 3(a)(10) of the Securities Act.
- 5. Lead counsel for the Claimants has provided ClearOne with a state-by-state breakdown of the Claimants and the number of shares of Settlement Stock to be received by each Claimant.
- 6. Twenty-six, 26, Claimants reside in Missouri.

- 7. ClearOne now proposes to issue the Settlement Stock to the Claimants, including the issuance of 3,175 shares of such stock to 26 residents of the State of Missouri.
- 8. All Claimants were protected by the judicial approval of the settlement following a judicial hearing as to the fairness of the transaction in which notification was provided to all interested parties, including the Claimants.
- 9. The issuance of the Settlement stock is limited to a finite group who are all previous or present owners of ClearOne's stock.
- 10. The Claimants exchanged claims for stock and are not providing any additional consideration.
- 11. No commission or other remuneration, either directly or indirectly, will be paid in relation with the issuance of this Settlement Stock.
- 12. No general solicitation was utilized except for the required class notification.

Based on the foregoing representations, the Securities Division will take no action to require ClearOne to register the sale of <u>Settlement Stock</u> with the Securities Division. Please be advised that this no action position is limited to <u>Settlement Stock</u> only. This "no-action" position does not constitute an exclusion from the anti-fraud provisions of the Missouri Securities Act of 2003. This position is based on the facts presented, and, should the facts prove to differ from those presented, the position of this office may differ.

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David B. Cosgrove

Commissioner of Securities