

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
September 8, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-13170

In the Matter of

**ARM Financial Group, Inc., and
Calex Acquisition Corp.,**

Respondents.

**ORDER INSTITUTING
PROCEEDINGS AND NOTICE OF
HEARING PURSUANT TO SECTION
12(j) OF THE SECURITIES
EXCHANGE ACT OF 1934**

I.

The Securities and Exchange Commission (“Commission”) deems it necessary and appropriate for the protection of investors that public administrative proceedings be, and hereby are, instituted pursuant to Section 12(j) of the Securities Exchange Act of 1934 (“Exchange Act”) against Respondents ARM Financial Group, Inc. and Calex Acquisition Corp.

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. ARM Financial Group, Inc. (CIK No. 910562) is a dissolved Delaware corporation located in Louisville, Kentucky with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). The company is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-K for the period ended December 31, 1999. On December 20, 1999, the company filed a Chapter 11 bankruptcy proceeding in the U.S. Bankruptcy Court for the District of Delaware, which terminated on October 1, 2004.

2. Calex Acquisition Corp. (CIK No. 1124874) is a revoked Nevada corporation located in Cedar Hill, Texas with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). The company is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-QSB for the period ended March 31, 2001, which reported a net loss of \$6,000 since inception in 2000.

B. DELINQUENT PERIODIC FILINGS

3. As discussed in more detail above, all of the Respondents are delinquent in their periodic filings with the Commission (*see* Chart of Delinquent Filings, attached hereto as Appendix 1), have repeatedly failed to meet their obligations to file timely periodic reports, and failed to heed delinquency letters sent to them by the Division of Corporation Finance requesting compliance with their periodic filing obligations or, through their failure to maintain a valid address on file with the Commission as required by Commission rules, did not receive such letters.

4. Exchange Act Section 13(a) and the rules promulgated thereunder require issuers of securities registered pursuant to Exchange Act Section 12 to file with the Commission current and accurate information in periodic reports, even if the registration is voluntary under Section 12(g). Specifically, Rule 13a-1 requires issuers to file annual reports and Rule 13a-13 requires issuers to file quarterly reports.

5. As a result of the foregoing, Respondents failed to comply with Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 thereunder.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate for the protection of investors that public administrative proceedings be instituted to determine:

A. Whether the allegations contained in Section II are true and, in connection therewith, to afford the Respondents an opportunity to establish any defenses to such allegations; and,

B. Whether it is necessary and appropriate for the protection of investors to suspend for a period not exceeding twelve months, or revoke the registration of each class of securities of the Respondents identified in Section II registered pursuant to Section 12 of the Exchange Act.

IV.

IT IS HEREBY ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice [17 C.F.R. § 201.110].

IT IS HEREBY FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within ten (10) days after service of this Order, as provided by Rule 220(b) of the Commission's Rules of Practice [17 C.F.R. § 201.220(b)].

If Respondents fail to file the directed Answers, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f), and 310 of the Commission's Rules of Practice [17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f), and 201.310].

This Order shall be served forthwith upon Respondents personally or by certified, registered, or Express Mail, or by other means of verifiable delivery.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 120 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice [17 C.F.R. § 201.360(a)(2)].

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Florence E. Harmon
Acting Secretary

Attachment

Appendix 1

Chart of Delinquent Filings *Arm Financial Group, Inc., et al.*

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
ARM Financial Group, Inc.	10-Q	03/31/00	05/15/00	Not filed	100
	10-Q	06/30/00	08/14/00	Not filed	97
	10-Q	09/30/00	11/14/00	Not filed	94
	10-K	12/31/00	04/02/01	Not filed	89
	10-Q	03/31/01	05/15/01	Not filed	88
	10-Q	06/30/01	08/14/01	Not filed	85
	10-Q	09/30/01	11/14/01	Not filed	82
	10-K	12/31/01	04/01/02	Not filed	77
	10-Q	03/31/02	05/15/02	Not filed	76
	10-Q	06/30/02	08/14/02	Not filed	73
	10-Q	09/30/02	11/14/02	Not filed	70
	10-K	12/31/02	03/31/03	Not filed	66
	10-Q	03/31/03	05/15/03	Not filed	64
	10-Q	06/30/03	08/14/03	Not filed	61
	10-Q	09/30/03	11/14/03	Not filed	58
	10-K	12/31/03	03/30/04	Not filed	54
	10-Q	03/31/04	05/17/04	Not filed	52
	10-Q	06/30/04	08/16/04	Not filed	49
	10-Q	09/30/04	11/15/04	Not filed	46
	10-K	12/31/04	03/31/05	Not filed	42
	10-Q	03/31/05	05/16/05	Not filed	40
	10-Q	06/30/05	08/15/05	Not filed	37
	10-Q	09/30/05	11/14/05	Not filed	34
	10-K	12/31/05	03/31/06	Not filed	30
	10-Q	03/31/06	05/15/06	Not filed	28
	10-Q	06/30/06	08/14/06	Not filed	25

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
ARM Financial Group, Inc.					
	10-Q	09/30/06	11/14/06	Not filed	22
	10-K	12/31/06	04/02/07	Not filed	17
	10-Q	03/31/07	05/15/07	Not filed	16
	10-Q	06/30/07	08/14/07	Not filed	13
	10-Q	09/30/07	11/14/07	Not filed	10
	10-K	12/31/07	03/31/08	Not filed	6
	10-Q	03/31/08	05/15/08	Not filed	4
	10-Q	06/30/08	08/14/08	Not filed	1
Total Filings Delinquent	34				
Calex Acquisition Corp.					
	10-QSB	06/30/01	08/14/01	Not filed	85
	10-QSB	09/30/01	11/14/01	Not filed	82
	10-KSB	12/31/01	04/01/02	Not filed	77
	10-QSB	03/31/02	05/15/02	Not filed	76
	10-QSB	06/30/02	08/14/02	Not filed	73
	10-QSB	09/30/02	11/14/02	Not filed	70
	10-KSB	12/31/02	03/31/03	Not filed	66
	10-QSB	03/31/03	05/15/03	Not filed	64
	10-QSB	06/30/03	08/14/03	Not filed	61
	10-QSB	09/30/03	11/14/03	Not filed	58
	10-KSB	12/31/03	03/30/04	Not filed	54
	10-QSB	03/31/04	05/17/04	Not filed	52
	10-QSB	06/30/04	08/16/04	Not filed	49
	10-QSB	09/30/04	11/15/04	Not filed	46
	10-KSB	12/31/04	03/31/05	Not filed	42
	10-QSB	03/31/05	05/16/05	Not filed	40
	10-QSB	06/30/05	08/15/05	Not filed	37
	10-QSB	09/30/05	11/14/05	Not filed	34
	10-KSB	12/31/05	03/31/06	Not filed	30
	10-QSB	03/31/06	05/15/06	Not filed	28

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
<i>Calex Acquisition Corp.</i>					
	<i>10-QSB</i>	06/30/06	08/14/06	Not filed	25
	<i>10-QSB</i>	09/30/06	11/14/06	Not filed	22
	<i>10-KSB</i>	12/31/06	04/02/07	Not filed	17
	<i>10-QSB</i>	03/31/07	05/15/07	Not filed	16
	<i>10-QSB</i>	06/30/07	08/14/07	Not filed	13
	<i>10-QSB</i>	09/30/07	11/14/07	Not filed	10
	<i>10-KSB</i>	12/31/07	03/31/08	Not filed	6
	<i>10-Q¹</i>	03/31/08	05/15/08	Not filed	4
	<i>10-Q¹</i>	06/30/08	08/14/08	Not filed	1
Total Filings Delinquent					29

¹Regulation S-B and its accompanying forms, including Forms 10-QSB and 10-KSB, are in the process of being removed from the federal securities laws. See Release No. 34-56994 (Dec. 19, 2007). The removal is taking effect over a transition period that will conclude on March 15, 2009, so by that date, all reporting companies that previously filed their periodic reports on Forms 10-QSB and 10-KSB will be required to use Forms 10-Q and 10-K instead. Forms 10-QSB and 10-KSB will no longer be available, though issuers that meet the definition of a "smaller reporting company" (generally, a company that has less than \$75 million in public equity float as of the end of its most recently completed second fiscal quarter) will have the option of using new, scaled disclosure requirements that Regulation S-K now includes.