

STATE OF ARKANSAS
SECURITIES DEPARTMENT

IN THE MATTER OF

ORDER PROVIDING A
TRANSACTIONAL EXEMPTION
FROM REGISTRATION

UPCHURCH ELECTRICAL SUPPLY
COMPANY

NO. 07-80006762-OR001

FINDINGS OF FACT

1. On December 7, 2006, a letter was received by the Arkansas Securities Commissioner requesting that the proposed offering and sale of three hundred eighty-four (384) shares of the issued and outstanding capital stock (the "Stock") of Upchurch Electrical Supply Company (the "Company") from Jeff Koenig to David McConnell and Ron White (the "Transaction") be determined to be an exempt transaction pursuant to Arkansas Code Annotated §23-42-504(a)(12).
2. The Company is a corporation organized under the laws of the State of Arkansas. The Stock consists of 384 shares owned by Jeff Koenig (the "Seller").
3. The Buyers will be David McConnell and Ron White (the "Buyers").
4. An exemption from registration has been requested pursuant to the Commissioner's discretionary authority under Arkansas Code Annotated §23-42-504(a)(12).
5. The Seller and the Buyers have fully and completely been involved in the negotiation of an agreement for the sale of the Stock. They have all had an opportunity to present the agreements to their personal attorneys although the agreements were drafted by the Company attorney. The Buyers, by virtue of being the management team of the Company along with the Seller, have had access to financial and other information concerning the Company as is necessary to make an informed decision. Based upon the

foregoing, the Transaction is not the type the Arkansas Securities Act (the "Act") is designed to protect by requiring registration, particularly when what is involved is the sale of stock to existing Shareholders who are also management of the Company.

CONCLUSIONS OF LAW

1. Pursuant to §23-42-504(a)(12) of the Act, the Commissioner may by order exempt certain transactions from §23-42-501 and §23-42-502 of the Act as not being necessary or appropriate in the public interest for the protection of investors.

2. It is not necessary or appropriate in the public interest for the protection of investors for the Seller to be required to register the Transaction under the Act for the purposes of the contemplated offering.

3. It is not necessary or appropriate in the public interest for the protection of investors for the Seller to be required to engage the services of a registered agent for the purpose of making sales of the Company's securities.

OPINION

In recognition of the representations made by the Seller, it appears registration of this offering of shares of common stock is unnecessary in this instance.

This Order does not exempt the Seller from the antifraud provisions of the Act.

IT IS THEREFORE ORDERED that any securities of Upchurch Electrical Supply Company offered or sold in Arkansas for the proposed Transaction, if offered and sold in compliance with the representations made in the letter of December 5, 2006 and in accordance with the Findings of Fact stated herein, shall be exempted from §23-42-501 and §23-42-502 of the Act.

WITNESS MY HAND AND SEAL THIS 5th day of January, 2007.



MICHAEL JOHNSON
SECURITIES COMMISSIONER