

**STATE OF ARKANSAS
SECURITIES DEPARTMENT**

IN THE MATTER OF

HALO, INC., HALO SPARK PLUGS, INC.,
JAMES E. JOHNSON, EVA L. JOHNSON,
BOLLINGER FAMILY TRUST

ORDER PROVIDING A
TRANSACTIONAL EXEMPTION
FROM REGISTRATION
NO. 04-80004778-OR003

FINDINGS OF FACT

1. On May 25, 2004, a letter was received by the Arkansas Securities Commissioner requesting that the Commissioner approve the provisions of the Agreement and Mutual Release (the "Agreement") in settlement of Halo Spark Plugs, Inc. v. James Johnson, et al... and release the shares of stock of Halo Spark Plugs, Inc. ("HSPI") currently held in escrow.

2. According to the Agreement, James and Eva Johnson (hereinafter collectively "Johnsons"), individually and as the sole trustees of the Bollinger Family Trust ("Trust") will transfer any and all interests, including but not limited to shares of stock, held in either Halo, Inc. ("Halo") or HSPI back to those respective entities to be placed in treasury, such that the Johnsons and the Trust will hereafter own no interest whatsoever in those entities. The Arkansas Securities Commissioner will release the shares currently held in escrow for the Johnsons for return to the treasury in HSPI.

3. Halo will cause to be issued shares of stock in the exact quantities and of the same classes of shares bearing identical rights in all respects as will be issued and outstanding from HSPI on the effective date of the Agreement. These shares will be issued to the shareholders of HSPI on the same pro rata basis as those shareholder's interest in HSPI. The Johnsons and the Trust will be deemed to own no shares of either Halo or HSPI.

4. Russ Rasnic will transfer any or all of his shares of Halo back to the company to be placed in the treasury. Rasnic will receive his pro rata distribution of shares of Halo in accordance with paragraph 3 above.

5. HSPI and Halo will issue from treasury 1.5 million shares of Class A convertible stock and 1.2 million shares of Class B non-convertible stock to Todd Siegel (“Siegel”) in accordance with the terms of the Agreement.

6. Halo will issue a promissory note to HSPI equal to the sum of all of the outstanding liquidated and valid debts and liabilities of HSPI. Any debts owed to the rescissioners of HSPI by virtue of any previous rescission offer by HSPI shall not be included in this requirement.

7. Halo will offer to each rescissioner of HSPI a promissory note in the exact amount of the promissory note previously issued by HSPI to the rescissioner as the result of the rescission offer. Such notes issued by Halo shall provide for the same principal amount owed, rate of interest, and terms of repayment as the notes issued by HSPI. Each rescissioner of HSPI shall have the right to elect between accepting a current note issued by Halo or retaining the note previously issued by HSPI.

8. James and Eva Johnson and any entities in which they hold any interest or control, the Bollinger Family Trust, and Todd Siegel each individually are forever barred, enjoined, and estopped from attempting to acquire any additional interest in Halo or HSPI, including but not limited to the purchase or transfer of shares of stock, after signing the Agreement, unless such interest is specifically provided for in the Agreement.

9. An order has been requested pursuant to the Commissioner’s discretionary authority under Ark. Code Ann. § 23-42-504(a)(12). The parties have fully and completely been

involved in the negotiation of the Agreement, and they have been, or had the opportunity to be represented in these negotiations by counsel. The Agreement requires approval by a vote of the shareholders of HSPI in order to consummate the deal. Based upon the foregoing, the Transaction is not the type the Arkansas Securities Act (the “Act”) was designed to protect by requiring registration.

CONCLUSIONS OF LAW

1. Under Section 23-42-504(a)(12) of the Act, the Commissioner may by order exempt certain transactions from Sections 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 parties 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 parties to be required to engage the services of a registered agent for the purpose of making sales of the securities.

OPINION

In recognition of the representations in the Agreement, it appears registration of this Transaction is unnecessary in this instance.

This order does not exempt the parties from the antifraud provisions of the Act.

ORDER

IT IS THEREFORE ORDERED that securities offered or sold in Arkansas for the proposed Transaction, if offered and sold in compliance with the representations made in the

letter of February 24, 2004, and the attached exhibits, and in accordance with the Findings of Fact stated herein, shall be exempted from Sections 23-42-501 and 23-42-502 of the Act.

WITNESS MY HAND AND SEAL this 25th day of May 2004.

A handwritten signature in black ink, appearing to read "M. Johnson", written over a horizontal line.

MICHAEL B. JOHNSON
SECURITIES COMMISSIONER