

**STATE OF ARKANSAS
SECURITIES DEPARTMENT**

IN THE MATTER OF

ARKANSAS SECURITY CAPITAL
CORPORATION

AMENDED AND SUBSTITUTED
ORDER DECLARING REGISTRATION
EFFECTIVE PURSUANT TO
ARK. CODE ANN. SECTION 23-42-403
NO. 04-90000321-NA004-A

FINDINGS OF FACT

1. On November 17, 2003, the Arkansas Securities Department received an application to register securities by qualification pursuant to Ark. Code Ann. Section 23-42-403 from Arkansas Security Capital Corporation (the "Issuer"). The Issuer proposes to offer to sell 2,500,000 shares of its common stock at \$5.00 per share.

2. The Issuer is a corporation organized under the laws of the State of Arkansas.

3. The offering is being made by registered Agents of the Issuer. Scott D. Engebritson will be registered as an Agent of the Issuer and will act as the Agents' supervisor and accept responsibility of the actions of the Agents. Mr. Engebritson has passed the Series 63 examination with an overall score of 80% or higher. All Agents will pass the Series 63 examination with an overall score of 70% or higher and will pass the fraud section of the Series 63 examination with a score of 80% or higher.

4. The Issuer has established or before making any sales will establish an escrow account with Arvest Bank as the Escrow Agent in accordance with the terms and conditions of the Escrow Agreement. The escrow account has been established to satisfy the requirements of Ark. Code Ann. Section 23-42-305(b) and 404(h). If any person who has a cause of action against the Issuer or its agents acting on behalf of the Issuer under the provisions of the Arkansas Securities Act brings suit during the required time frames and a judgment is rendered against the Issuer or such agents, that judgment may be satisfied out of the escrow account.

5. Pursuant to Ark. Code Ann. Section 23-42-403(d), the Prospectus filed as part of the Registration Statement will be sent or given to each person to whom an offer is made.

6. By letter dated May 4, 2004 from Mr. Engebritson to the Department, Mr. Engebritson submitted compliance rules for the Issuer's Agents and an outline of the Supervising Agent's duties. Said compliance plan and Supervising Agent's duties as attached hereto are adopted and shall be followed by the Agents and the Supervising Agent.

CONCLUSION OF LAW

Pursuant to Ark. Code Ann. Section 23-42-403(c), a registration statement registering securities by qualification becomes effective when the Commissioner so orders.

OPINION

In recognition of the representation made by the Issuer and counsel on its behalf, it appears that allowing the Issuer to register its securities by qualification is consistent with the policy and purpose of the Arkansas Securities Act.

ORDER

All findings and conditions of the Order of January 28, 2004, shall remain in full force and effect except as amended herein.

WITNESS MY HAND AND SEAL THIS 17th day of June 2004.



MICHAEL B. JOHNSON
SECURITIES COMMISSIONER

Corporate Compliance Rules – Agents

1. Pass the Series 63 Examination with a score of 70% or higher and will pass the fraud section of the Series 63 examination with a score of 80% or higher.
2. Become registered as an agent of the Issuer with the Arkansas Securities Department.
3. Attend a 2 day sales and compliance school.
4. Participate in a week (5 days) of field training with a licensed agent of Arkansas Security Capital Corporation.
5. Provide a prospectus to each subscriber.
6. Turn in weekly written reports of all sales presentations.
7. The Company markets its stock solely through referrals from subscribers. No telephone/internet solicitations or mailings are allowed. All presentations are to be made in person.
8. Mail in all checks and completed subscription agreements immediately.
9. Make offers to bona fide Arkansas residents ONLY.
10. Any violations of Company procedures or securities laws will result in termination of your license and notification of such to the Arkansas Securities Department.

Supervising Agent Requirements

1. Conduct the Company's Series 63 study course on a monthly basis.
2. Verify the agents' attendance at the Sales and Compliance School.
3. Receive written confirmation from each new agent that the agent has been provided and understands the Corporate Compliance Rules.
4. Review and maintain a copy of each subscription agreement.
5. Review and maintain a copy of each agent's weekly work report.
6. Maintain a complaint file.
7. Provide written notifications to the Arkansas Securities Department immediately of any agent violations of securities laws. Further, written notifications will be provided to the Department of any agent terminations due to the agent not following the Corporate Compliance Rules.

ARKANSAS SECURITY CAPITAL CORPORATION

Agent Compliance

Welcome to Arkansas Security Capital. As a new agent, you will be expected to professionally represent the company and comply with all securities laws.

The first step to become registered is passing the Series 63 test. The company will provide a 2 day study course complete with sample exams and conduct detailed discussions regarding suitability and other compliance requirements.

After passing the test with an overall score of 70% or higher and a score of 80% or higher on the fraud section, the company will submit to the Arkansas Securities Department a U-4 form requesting registration as an Agent of the Issuer for Arkansas Security Capital Corporation.

Additionally, you will be required to attend 2 days of sales training in order to fully understand the company's procedures and policies. Once registered as an agent of the issuer, the company will provide a full week of field training with another licensed agent to instruct you on the proper method of selling the company's stock.