

**STATE OF ARKANSAS
SECURITIES DEPARTMENT**

IN THE MATTER OF

MORRIS TAX SERVICE, INC.

ORDER PROVIDING A
TRANSACTIONAL EXEMPTION
FROM REGISTRATION
NO. 99-074-S

FINDINGS OF FACT

1. On December 27, 1999, a letter was received by the Arkansas Securities Commissioner requesting that the proposed offering and sale of certain shares of the capital stock (the "Stock") of Morris Tax Service, Inc. (the "Company"), to Art and Diane Morris, and the immediate resale of fifty percent (50%) of the Stock by Art Morris to Valerie Cavness (the "Transaction"), be determined to be an exempt transaction pursuant to Ark. Code Ann. § 23-42-504(a)(12).
2. The Company is a corporation organized under the laws of the State of Arkansas, and shall have an initial issuance of fifty (50) shares of the Stock to Art Morris and fifty (50) shares of the Stock to Diane Morris, wife of Art Morris.
3. Art Morris (the "Seller") will immediately resale his shares of the Stock to Valerie Cavness (the "Buyer"). The Buyer is the daughter of the Seller and has been working in the business. The Buyer will purchase the Stock with a promissory note and the Seller will take a security interest in the Stock to secure the repayment of the note.
4. An exemption from registration has been requested pursuant to the Commissioner's discretionary authority under Ark. Code Ann. § 23-42-504(a)(12). The Seller

and the Buyer have fully and completely been involved in the negotiation of an agreement for the sale of the Stock, and they have been, or had the opportunity to be represented in these negotiations by counsel. The Seller and the Buyer have had access to financial and other information concerning the parties as is necessary to make an informed investment decision. 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 Seller or the Buyer 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 or the Buyer 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 made by the Seller, it appears registration of this Transaction is unnecessary in this instance.

This order does not exempt the Seller or the Buyer 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 December 20, 1999, 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 27th day of December, 1999.



MAC DODSON
SECURITIES COMMISSIONER