

STATE OF ARKANSAS
SECURITIES DEPARTMENT

IN THE MATTER OF
SAF-T-LITS SAFETY SYSTEMS, INC.,
TOMMY BARRON; AND
DIRECTORS, OFFICERS,
EMPLOYEES AND AGENTS OF
SAF-T-LITS SAFETY SYSTEMS, INC.

CEASE & DESIST ORDER

ORDER NO. 99-007-S

CEASE AND DESIST ORDER

The Arkansas Securities Department ("Department") has received information and has in its possession certain evidence which indicates that Saf-T-Lits Safety Systems, Inc. ("Saf-T-Lits"), and Tommy Barron ("Barron"), have violated, and may continue to violate, various provisions of the Arkansas Securities Act ("Act"), Ark. Code Ann. § 23-42-101 et seq.

FINDINGS OF FACT

1. Saf-T-Lits is an Arkansas corporation with its principal place of business located in Springdale, Arkansas.
2. According to its Articles of Incorporation, Saf-T-Lits became an Arkansas corporation on January 26, 1998, with Barron its original incorporator and sole member of its Board of Directors. According to its Articles of Incorporation, Saf-T-Lits is authorized to issue ten thousand (10,000) shares of voting common stock and ten thousand (10,000) shares of non-voting common stock. A copy of the Articles of Incorporation is attached hereto as Exhibit A.
3. At all times relevant herein, Barron has held the position of President and Chief Executive Officer of Saf-T-Lits.
4. According to documents and information received by the Department, prior to the incorporation of Saf-T-Lits, Barron began doing business as "Saf*T*Lits Safety Systems," an unincorporated entity. While doing business as the unincorporated "Saf*T*Lits Safety Systems," Barron sold or offered for sale certain percentage interests ("Interests") in "Saf*T*Lits Safety Systems" to several Arkansas residents.
5. According to documents and information received by the Department, after the incorporation of Saf-T-Lits, Barron offered to exchange the pre-incorporation Interests for stock in Saf-T-Lits.
6. According to documents and information received by the Department, Barron offered, sold or exchanged approximately 137 shares of stock in Saf-T-Lits to 28 Arkansas residents for approximately \$58,000. (Some of the 28 Arkansas resident investors were offered stock in Saf-T-Lits in exchange for their Interests in "Saf*T*Lits Systems." Additionally, Arkansas residents holding their stock jointly with others are counted as individual investors for purposes of this Cease & Desist Order).
7. According to information received by the Department, Barron continues to offer for sale stock in Saf-T-Lits to Arkansas residents.

8. The Interests and Saf-T-Lits stock are securities as that term is defined by the Act, Ark. Code Ann. § 23-42-102(15)(A). According to the records of the Arkansas Securities Commissioner, these securities are not registered with the Commissioner, nor has an exemption from registration been filed with the Commissioner. Further, the securities are not "covered securities" as defined by the Act, Ark. Code Ann. § 23-42-102(4).
9. Barron and Saf-T-Lits are each an "issuer" as that term is defined by the ACT, to-wit: "every person who issues or proposes to issue any security . . ." Ark. Code Ann. § 23-42-102(9).
10. Barron is an "agent" as that term is defined by the Act, to-wit: "any individual . . . who represents a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities." Ark. Code Ann. § 23-42-102(2)(A).

CONCLUSIONS OF LAW

11. Ark. Code Ann. § 23-42-201 gives the Arkansas Securities Commissioner authority to administer the provisions of the Act.
12. Ark. Code Ann. § 23-42-209(a)(1) provides that, when it appears to the Commissioner that sufficient grounds or evidence exists that any person has violated or is about to violate any provision of the Act, the Commissioner may summarily order the person to cease and desist from that act or practice.
13. Ark. Code Ann. § 23-42-301(a) provides that it is unlawful for any person to transact business in this state as a broker-dealer or agent unless he is registered under the Act.
14. Ark. Code Ann. § 23-42-301(b) provides that is unlawful for any issuer to employ an unregistered agent.
15. Ark. Code Ann. § 23-42-501 provides that it is unlawful for a person to offer or sell any security in this state unless the security is registered in accordance with the Act, exempt from that registration, or a covered security.

OPINIONS

16. For reasons set forth herein, and based upon Findings of Fact and Conclusions of Law recited above, it is the opinion of the Commissioner that:
17. This matter has been properly brought before the Commissioner.
18. The Interests and Saf-T-Lits stock are securities subject to the registration requirements of the Act.
19. Barron offered and sold the Interests and the Saf-T-Lits stock in Arkansas.
20. The Interests and Saf-T-Lits stock have not been registered with the Department, neither are they exempt from that registration nor are they covered securities.
21. Barron is not registered with the Department as an agent for " Saf*T*Lits Safety Systems", or as an agent for Saf-T-Lits for the purpose of selling or offering to sell the Interests or Saf-T-Lits stock.
22. Saf-T-Lits and Barron should immediately cease and desist from further solicitation or sale of the Saf-T-Lits stock or any other similar instrument or contract.

23. Saf-T-Lits and Barron should immediately cease and desist from the collection of funds from any Arkansas resident with regards to the sale of Saf-T-Lits stock or any other similar instrument or contract.

24. This order is in the public interest.

ORDER

IT IS THEREFORE ORDERED THAT Saf-T-Lits Safety Systems, Inc., and Tommy Barron CEASE AND DESIST from any future action in the State of Arkansas in connection with the offer and sale of securities.

WITNESS MY HAND AND SEAL this 26th day of March, 1999

MAC DODSON
SECURITIES COMMISSIONER