

**Halo Companies, Inc. Is On A Mission To Help People In Middle America
Solve Their Financial Problems And Maintain Home Ownership
And In Doing So– Increase Shareholder Value**

**Conglomerates
Financial Securities
(HALN-OTC: BB)**

Halo Companies, Inc.

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**Mr. Cade Thompson
Chairman and CEO**

BIO:

A Co-Founder of Halo Companies, Inc., Cade Thompson has a proven record in multiple financial services industries. Cade began building the Halo family of companies in 2004. After earning his Series 7, Series 63, and Life & Health Licenses, he helped build a prospering financial advising agency under the umbrella of the broker dealer, World Group

Securities. During the refinance surge at the turn of the decade, he expanded his experience by joining and eventually owning Halo Group Mortgage. As CEO, Cade provides strong leadership through his financial strengths, his business leadership, and vision.

Company Profile:

Halo Companies, Inc. is a nationwide holding company based in Allen, TX with eleven subsidiaries that operate primarily in the consumer financial services industry including debt, mortgage, real estate, credit, loan modification, insurance and portfolio advisors. Halo has been recently recognized by Inc. Magazine, Comerica Bank’s Collin 60, and the SMU Cox School of Business Dallas 100. For more information about Halo Companies, Inc., visit www.haloco.com.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com**

CEOCFO: Mr. Thompson, what was the vision of Halo Companies when you started, and what is the vision today?

Mr. Thompson: The original vision was to set up an organization that could supply services and products to Middle America as it pertains to home ownership. We deployed a comprehensive product set that included mortgage, real estate, insurance and a myriad of other services to help Middle America get access to information and products that weren’t readily available to them. Today, unfortunately for most Americans, we have found ourselves on the flip-side of that, in helping them maintain home ownership. Therefore, we are in the middle of workout strategies such as property preservation and asset management to try

to help consumers in their difficult financial situation. The same core competencies and product suite that we leveraged during the boom, we are now leveraging in the bust.

CEOCFO: America is a big entity, what is your specific target group and how do you reach them?

Mr. Thompson: Our target market is somewhere around the average age of 44, middle income family and living in major metropolitan areas. The main way we reach them is via the internet or through strategic relationships, partnerships of other associations, large groups, hedge funds, private equity groups, and mortgage services that have a pool of customers that need our services. Therefore, we have a direct consumer retail approach as well as a wholesale business-to-business approach.

CEOCFO: What can Halo do that others cannot?

Mr. Thompson: Halo, unlike most of our competitors, takes a holistic approach to solving our consumers’ challenges. For example, if a consumer calls a debt-relief organization, whether it is a credit counseling company, a bankruptcy firm or even another debt settlement company, they will look at the consumer’s unsecured debt and put together a very narrow approach to solving that challenge. Halo’s approach allows us to take a holistic look at the consumer. We look at their mortgage, secured debts, unsecured debts, asset position, other liability positions and their short and long-term strategies. Because of the wide variety of product sense and expertise that we have, we can develop a program for that consumer to get them down the road versus solving

perhaps just an immediate issue and putting a band-aid on their perpetual problems. The holistic approach and offering is what really separates us from our competitors and allows such a positive experience with our consumers.

CEOCFO: Is revenue coming from the consumer or is it coming from the other side of the equation, how are you making money?

Mr. Thompson: On the retail side of the equation, the consumer is where we derive our revenue. They pay for our services directly to us. On the wholesale side, it is a mixture of payment sources, consumer and wholesale relationships, depending on what service we are actually deploying.

CEOCFO: Why should the consumer trust Halo?

Mr. Thompson: The reality of it is that in every business, reputable or disreputable, there are good players and bad players. In some of the industries in which we operate, this is no exception. Halo has tried its best to separate itself from any disreputable organizations, as well as tried to create a transparent, above-board business model. To that effort, we have received and achieved multiple licensing accommodations including the ISO 9001:2008 certification. We took the company public in 2009 to improve transparency in our financial and operational approach and to increase confidence in management, as well. We, unlike most of the companies in the distressed services industry, have done more than what is required of us to present a very consumer-friendly, trustworthy corporate approach so that we can gain the trust of the consumers. In the end, the reality of it is that these consumers need help and unfortunately, it is not readily available. The government plans that have been instituted are very complicated and convoluted, including the foreclosure and loss mitigation strategies. We have found that the consumers are confused, they do not have time to dig into them, and they need help in getting advice from somebody. There are bad players out there, Halo happens to be one of the good players. It is just a matter of telling our

story enough times to enough people and building the reputation in the market place, which is all you can do over time.

CEOCFO: Is word-of-mouth is something that is bringing in customers?

Mr. Thompson: Sure, it absolutely does! Referrals are a large part of our business too, but it takes more time to develop referrals in scale. Most people are pretty embarrassed about their financial situation if they are in a distressed situation, so they don't typically go talk to their neighbors or friends and family about it unless they get to a point where they have to ask for help. Although we do receive referrals and it is a good bit of our business, it is not as prominent as one would expect because many people are predisposed to keep it to themselves and stay under the radar. It is a unique paradigm that we deal with, but we do get referrals.

What investors need to remember about Halo is number-one our mission is to help people. There is a huge opportunity in the market place today for the services that we provide as long as we can stay true to our core guiding principles and deliver a quality product... I believe we've got that nailed. - Mr. Cade Thompson

CEOCFO: How do you insure that the people you have representing Halo talking to the distressed consumer have the right mix?

Mr. Thompson: One of the toughest parts of our business is maintaining that good balance. Contrary to popular belief Halo is in the business of making a profit for shareholders, but in the end, doing what is right by the consumer is what will help us achieve profitability and sustainability. It is a constant battle of quality control and training, as well as making sure we are top grading by bringing in the best-qualified players into our organization and moving those out that aren't doing their job in a responsible way. That is definitely something that has caused trouble for some of the industries that we are involved. It is partly handled by legislation, and partly by organic attrition of companies that aren't doing it right because they get lambasted in the market place by the consumers. We also try to help mitigate that by deploying logical technology platforms that allow our

salespeople, consultants or advisors to operate without the burden of having to make that independent decision. We have developed algorithms in the unsecured space that we have written over the last three or four years that allow us to analyze the consumer's financial situation and their propensity to perform on their debt. We can then come up with a score that grades them on what is the most appropriate unsecured debt solutions for them whether it is bankruptcy chapter 7 or 13, debt-management, or our services. We try to layer on all types of different strategies to help make sure we are maintaining that fine balance of salesmanship and consumer concern.

CEOCFO: You have a fairly new identity-theft product; will you tell us about that and what makes it different?

Mr. Thompson: Our product provides protection after your identity has been stolen and has an insurance policy up to \$25 thousand for any losses, but what really separates our product from others is the price point and the benefit it adds to the suite of services we are already providing to consumers. Providing this service through some of our sister companies allows us to communicate to consumers while we are dealing with their finances and giving financial information out over the phone or over the internet or whatever the case may be. That is when consumers are most vulnerable, so we wanted to add that to their product offering to provide them with some extra protection. We are not trying to make that as our core profit center like some of the other ID Theft Protection programs that are out there in the market place. Our service is \$6.95 per month, and I don't know if there are any other competitive products out there at that price point. Most of the ID protection plans out there are very similar. There are a few unique ones, but what matters in the end is that you are getting the updates on the monitoring to make sure you are notified immediately if it does happen. When it does unfortunately, we would like to make sure the consumer has the ability to get it all cleaned up with assistance and some cost protection.

CEO CFO: Are there any other products or services you would like to add to the mix?

Mr. Thompson: Not at this time. We had to decide exactly where our sweet spot is and determine the boundaries to our product mix. The only time we have ever added a product is when we had such a consumer demand and a need to fulfill our other services. There are a number of other products that could be deployed, such as property management, inspection, appraisals, credit monitoring, and unsecured credit card lending. These are all types of products that our core demographic consumers are in need of, but we really feel like our core strategic concept of who we are is not in alignment with most of those. We have added those that we felt were necessary to succeed and to help consumers get from point A to point B.

CEO CFO: What is the financial picture like for Halo today?

Mr. Thompson: In 2009 over 2008, we are up 85 plus percent, over 2006 we are up 378 plus percent. We are seeing a tremendous rapid growth on the top-line and we continue to maintain at break-even or just under break-even EBITDA because we are continuing to grow and support the growing need for the consumer perspective out there. We added a lot of fixed cost to our parent company to support our subsidiaries. As we continue to grow and scale, our margins will increase because the majority of the added burden are fixed-costs and we will be able to create larger profitability by only adding variable cost at the necessary time. The one major hurdle for our organization is the tight capital markets right now. We are starting to see those open up a little bit, but in any growing organiza-

tion that has grown as fast as we have, access to capital is critical.

CEO CFO: What is the plan for the next year or eighteen months?

Mr. Thompson: Get profitable is the first and most important part of our plan. As I just mentioned we will be able to do that by focusing on the core products we have in place, leveraging our wholesale business-to-business relationships that we have branched out into over the last twelve months, and creating scalability and maximum efficiency on our infrastructure and platform, a generous net profit margin. We have our products set, we have our management team set, we have our infrastructure set, we have our vision cast and there are a lot of people out there that need us to do our job and that is what we intend to do.

CEO CFO: What might investors miss when they look at Halo that they need to understand?

Mr. Thompson: Most investors may look at our executive summary or our organization and see a bunch of different products that are kind of, "oh that is cool, or that is great, and it is neat that you have all these." However, what they are really doing is jumping to the conclusion that we have a lack of focus or that we are a jack-of-all-trades. In reality, we are one company, one product, one focus and just have different departments like many different companies. The reasons why we have multiple entities are for compliance and to mitigate our liabilities and exposure. Most investors that aren't specifically in the distressed mortgage markets don't understand how all of our products fit together in the life cycle of the consumer. Therefore, it takes education to help them understand how each of our

products feed and build on the previous product to help that consumer move through the entire lifecycle to get out in the end with a performing mortgage that allows them to stay in their house and become a good credit borrower again. That is predominantly what they miss. They also tend to miss that although we are in a net loss position, most of that is non-cash losses as stated in our SEC filings. So, when they look at a red bracket down at the bottom of our P&L, they tend to jump to conclusions. The platform we built and infrastructure we developed should allow us to turn the corner and create profitability this year. In addition, if they spend a little bit more time trying to understand how we make money and how we have performed in the past, they would be a bit more intrigued. We are getting a lot of momentum as we speak, so I am optimistic on our future.

CEO CFO: Final thoughts, what should readers remember most about Halo?

Mr. Thompson: What investors need to remember about Halo is number-one our mission is to help people. There is a huge opportunity in the market place today for the services that we provide as long as we can stay true to our core guiding principles and deliver a quality product. Then it becomes an execution play, and if it is an execution play then it is about competence in management. Investors need to know who we are as an organization and the scope of our opportunity. Halo is a good investment opportunity for anyone who is comfortable with the distressed services industry. I think that those two things are potential pitfalls that could hold us up from achieving success, but I believe we've got that nailed.



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