

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM S-8  
REGISTRATION STATEMENT  
Under  
The Securities Act of 1933

SPAR GROUP, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

33-0684451  
(I.R.S. Employer  
Identification No.)

580 White Plains Road  
White Plains, New York 10591  
(914) 332-4100  
(Address, including zip code, and telephone number, including area code,  
of registrant's principal executive offices)

2001 CONSULTANT STOCK PURCHASE PLAN  
(Full title of the plans)

Charles Cimitile  
Chief Financial Officer and Secretary  
SPAR GROUP, INC.  
580 White Plains Road  
White Plains, New York 10591  
(914) 332-4100  
(Name, address, including zip code, and telephone number,  
including area code, of agent for service)

Copies to:  
Lawrence David Swift, Esq.  
Jenkins & Gilchrist Parker Chapin LLP  
The Chrysler Building  
405 Lexington Avenue  
New York, New York 10174

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as  
practicable after the effective date of the Registration Statement.

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$.01 par value	500,000	\$1.75(1)	875,000	\$218.75

- (1) For the purpose of calculating the registration fee pursuant to Rule 457(c) of the Securities Act of 1933, as amended, on the basis of the average of the high and low prices per share of Common Stock as reported on the NASDAQ Small Cap Stock Market on November 5, 2001, a day within five business days of this registration statement.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents which have been filed by SPAR Group, Inc. (the "Company") with the Securities and Exchange Commission (the "Commission"), as noted below, are incorporated by reference into this Registration Statement:

- (1) The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000, as filed with the Commission on April 11, 2001;
- (2) The Company's Amendment No. 1 to Annual Report on Form 10-K/A for the fiscal year ended December 31, 2000, as filed with the Commission on April 20, 2001;
- (3) The Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2001 as filed with the Commission on May 15, 2001;
- (4) The Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2001 as filed with the Commission on August 14, 2001;
- (5) The description of the Common Stock contained in the Company's Registration Statement on Form 8-A filed with the Commission on February 22, 1996; and
- (6) All documents subsequently filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended, prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference herein and to be a part hereof from the date of filing such documents. Any statement contained in any document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed to constitute a part of this Registration Statement, except as so modified or superseded.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

The validity of the shares of Common Stock offered hereby has been passed upon for the Company by Jenkens & Gilchrist Parker Chapin LLP, New York, New York. Certain principals of Jenkens & Gilchrist Parker Chapin LLP beneficially own shares of Common Stock.

Item 6. Indemnification of Directors and Officers.

The Company is a Delaware corporation. Article VI of the Company's Bylaws provides that the Company may indemnify its officers and Directors to the full extent permitted by law. Section 145 of the General Corporation Law of the State of Delaware (the "GCL") provides that a Delaware corporation has the power to indemnify anyone who is or was serving as a director or officer of the corporation in certain circumstances.

Subsection (a) of Section 145 of the GCL empowers a corporation to indemnify (i) any director or officer; or (ii) any former director or officer, who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding provided that such director, officer or other

person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, provided that such director or officer had no reasonable cause to believe his or her conduct was unlawful.

Subsection (b) of Section 145 of the GCL empowers a corporation to indemnify (i) any director or officer; or (ii) former director or officer who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person acted in any of the capacities set forth above, against expenses actually and reasonably incurred in connection with the defense or settlement of such action or suit provided that such director, officer or other person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification may be made in respect of any claim, issue or matter as to which such director, officer or other person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all the circumstances of the case, such director, officer or other person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery shall deem proper.

Section 145 of the GCL further provides that (i) to the extent a present or former director or officer of a corporation has been successful in the defense of any action, suit or proceeding referred to in subsections (a) and (b) or in the defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith; (ii) indemnification provided for by Section 145 shall not be deemed exclusive of any other rights to which the indemnified party may be entitled; and (iii) the corporation shall have power to purchase and maintain insurance on behalf of (a) a director or officer of the corporation or (b) a former director or officer against any liability asserted against him or her or incurred by him or her in any such capacity or arising out of his or her status as such whether or not the corporation would have the power to indemnify him or her against such liability under Section 145.

Article Ninth of the Company's Certificate of Incorporation currently provides that each Director shall not be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a Director, except for liability (i) for any breach of the Director's duty of loyalty to the Company or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the GCL, or (iv) for any transaction from which the Director derived an improper benefit.

The Company carries directors' and officers' liability insurance covering its directors and officers.

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Item 7. Exemptions from Registration Claimed.

Not applicable.

Item 8. Exhibits.

Exhibit No.	Description of Exhibit
4.1	2001 Consultant Stock Purchase Plan, as amended.
5.1	Opinion of Jenkens & Gilchrist Parker Chapin LLP as to the legality of the Common Stock registered hereby.
23.1	Consent of Jenkens & Gilchrist Parker Chapin LLP (contained in the opinion filed as Exhibit 5.1).
23.2	Consent of Ernst & Young LLP.
24.1	Power of Attorney (included on Page II-6 hereto).

Item 9. Undertakings.

(A) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement.

Provided, however, that paragraphs (i) and (ii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(B) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(C) Insofar as indemnification for liabilities under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the

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registrant has been advised that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Company certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration

Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Tarrytown, State of New York, on this 6th day of November, 2001.

SPAR GROUP, INC.

By:/s/ Robert G. Brown

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Robert G. Brown  
Chairman of the Board, Chief Executive  
Officer, President and Director

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Robert G. Brown and William H. Bartels as his true and lawful attorney-in-fact and agent, each with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
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/s/ Robert G. Brown ----- Robert G. Brown	Chairman of the Board, Chief Executive Officer, President and Director (Principal Executive Officer)	November 6, 2001
/s/ Charles Cimitile ----- Charles Cimitile	Chief Financial Officer and Secretary (Principal Financial and Accounting Officer)	November 6, 2001
/s/ William H. Bartels ----- William H. Bartels	Vice Chairman and Director	November 6, 2001
/s/ Robert O. Aders ----- Robert O. Aders	Director	November 6, 2001
/s/ Jack W. Partridge ----- Jack W. Partridge	Director	November 6, 2001

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/s/ Jerry Gilbert	Director	November 6, 2001
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Jerry Gilbert

/s/ George W. Off

Director

November 6, 2001

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George W. Off

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EXHIBIT INDEX

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SPAR GROUP, INC.

2001 CONSULTANT STOCK PURCHASE PLAN

AS AMENDED THROUGH NOVEMBER 1, 2001

ARTICLE I

PURPOSE AND EFFECTIVE DATE.  
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Section 1.1. Purpose. The purpose of the Plan is to provide employment incentives for, and to encourage stock ownership by employees of the affiliates of SPAR Group, Inc., which affiliates provide consulting and other services to the Company, in order to increase such employees proprietary interest in the success of the Company (as "Subsidiary", "Plan" and "Company" are hereinafter defined). The Plan is not intended to qualify as an employee stock purchase plan under Section 423 of the Code.

Section 1.2. Effective Date. The effective date of the Plan is as of June 1, 2001.

ARTICLE II

DEFINITIONS.  
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Section 2.1. Certain Defined Terms. Whenever used in the text of this Plan, the following terms shall have the meanings set forth below:

"affiliate" of a referenced person shall mean (a) any other person controlling, controlled by or under common control with such referenced person, (b) any other person beneficially owning or controlling ten percent (10%) or more of the outstanding voting securities or rights or of the interest in the capital, distributions or profits of the referenced person, (c) any other person operating the business or substantially all of the property of the referenced person, or vice versa, or (d) any director, officer, manager or other executive of or partner, member or joint venturer in the referenced person or such other person. If the referenced person is an individual, then the term "affiliate" also shall include members of the immediate family (including parents, spouse and children) of such individual and any "affiliate" of one or more of those family members. The terms "control", "controlling", "controlled" and the like shall mean the direct or indirect possession of the power to direct or cause the direction of the management or policies of a person or the disposition of its assets or properties, whether through ownership, by contract, arrangement or understanding, or otherwise.

"Affiliate Employee" shall mean any person who is designated by the Company as an employee of any SPAR Affiliate for purposes of the Tax Code and who is not otherwise permitted to participate in the Company's ESP Plan. This term does not include members of the Board unless they are employed by a SPAR Affiliate, and does not include individuals designated by the Company as independent contractors, notwithstanding any subsequent determination to the contrary by the Internal Revenue Service.

"Board" shall mean the Board of Directors of SGRP.

"Committee" shall mean the Board or a committee (which may include non-members of the Board) or officer(s) of SGRP designated by the Board to administer the Plan. The Board may appoint and remove members of the Committee at any time. "Committee" shall include (without limitation) the Board acting as the Committee irrespective of whether such a Committee then exists.

"Common Stock" shall mean the common stock of SPAR Group, Inc.

"Company" shall mean SGRP.

"Disability" shall mean a permanent and total disability within the meaning of Section 22(e) (3) of the Tax Code.

"ESP Plan" shall mean SGRP's 2001 Employee Stock Purchase Plan, effective as of June 1, 2001, as the same may be supplemented, modified,

amended, restated or replaced from time to time in the manner provided therein.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

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"Fair Market Value" of Common Stock shall be determined in accordance with the following rules.

- (i) If the Common Stock is admitted to trading or listed on a national securities exchange, Fair Market Value shall be the last reported sale price on that day, or if no such reported sale takes place on that day, the average of the last reported bid and ask prices on that day, in either case on the principal national securities exchange on which the Common Stock is admitted to trading or is listed;
- (ii) If not listed or admitted to trading on any national securities exchange, Fair Market Value shall be the last sale price on that day of the Common Stock reported on the Nasdaq Stock Market or any comparable system or, if no such reported sale takes place on that day, the average of the closing bid and asked prices on that day;
- (iii) If the Common Stock is not included in the Nasdaq Stock Market or any comparable system, Fair Market Value shall be the closing bid and asked prices on that day as furnished by any member of the National Association of Securities Dealers, Inc. selected from time to time by the Company for that purpose;
- (iv) If the Common Stock is not traded on the day in question, its Fair Market Value on the most recent preceding day on which it was traded shall be used.

"Participant" shall mean an Affiliate Employee who has been granted a Purchase Right under the Plan.

"Plan" shall mean this 2001 Consultant Stock Purchase Plan, as the same may be supplemented, modified, amended, restated or replaced from time to time in the manner provided herein.

"Purchase Right" shall mean a right to purchase Common Stock granted pursuant to the Plan.

"Purchase Right Period" shall mean the following periods: (a) January 1 - March 31; (b) April 1 - June 30; (c) July 1 - September 30; and (d) October 1 - December 31; or such other periods as the Committee from time to time may approve. The first Purchase Right Period shall commence on July 1, 2001, or such later date as the Committee may approve, and shall end on September 30, 2001.

"Securities Act" shall mean the Securities Act of 1933, as amended,, and the rules and regulations promulgated thereunder, in each case as the same may have been and hereafter may be supplemented, modified, amended, restated or replaced from time to time.

"SGRP" shall mean SPAR Group, Inc., a Delaware corporation.

"SPAR Affiliate" and "SPAR Affiliates" shall respectively mean any one or more of SPAR Marketing Services, Inc., SPAR Management Services, Inc., SPAR InfoTech, Inc., and any other affiliate of any of them or of the Company, including (without limitation) any corporation or other entity directly or indirectly under the control of one or more of Robert G. Brown, William H. Bartels, their respective families, and trusts under which either of them is a trustee or beneficiary.

"Stockholders" shall mean the holders of Common Stock.

"Subsidiary" shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations (other than the last corporation in the unbroken chain) owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in the chain.



"Tax Code" shall mean the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder, in each case as the same may have been and hereafter may be supplemented, modified, amended, restated or replaced from time to time.

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### ARTICLE III

#### ELIGIBILITY AND PARTICIPATION

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Section 3.1. Eligibility. (a) Except as otherwise provided in Section 31(b) or 31(c) hereof, all Affiliate Employees are eligible to participate in the Plan.

(b) The Committee from time to time may establish, and once established from time to time may modify or repeal, additional limits on or criteria for eligibility not prohibited by applicable law, including (without limitation) duration of employment.

Section 3.2. Payroll Withholding. (a) Affiliate Employees may enroll as Participants by executing prior to the commencement of each Purchase Right Period a form provided by the Committee on which they designate: (i) the dollar amount (not a percentage of compensation) to be deducted from their paychecks and contributed to the Plan Account for the purchase of Common Stock, which shall not be less than ten dollars (\$10) per week in the case of a Participant paid on a weekly basis, twenty dollars (\$20) per pay period in the case of a Participant paid on a bi-weekly or semi-monthly basis, or forty dollars (\$40) per pay period in the case of a Participant paid on a monthly basis; and/or (ii) the amount of funds, if any, which they will deposit at the beginning of the Purchase Right Period for the purchase of Common Stock, which amount may be subject to a limit established by the Board or Committee from time to time. Each Participant hereby authorizes his SPAR Affiliate employer to make such withholdings and remit them to SGRP to hold and apply in accordance with this Plan.

(b) Once chosen, the rate of contributions for a Purchase Right Period cannot be decreased or increased without terminating the Purchase Right.

(c) However, pursuant to rules and procedures prescribed by the Committee, a Participant may make additional contributions to make up any contributions that he or she failed to make while on a leave of absence if the Participant returns to active employment and contributes those amounts before the end of the Purchase Right Period.

Section 3.3. Limitations. (a) Notwithstanding anything herein to the contrary, a Participant may not accrue a right to purchase shares of Common Stock under this Plan at a rate that exceeds either six thousand two hundred fifty dollars (\$6,250) per quarterly Purchase Right Period or twenty-five thousand dollars (\$25,000) per calendar year.

(b) The twenty-five thousand dollar (\$25,000) limitation shall apply to the Participant's right to purchase Common Stock under this Plan and under all other employee stock purchase plans that are maintained by the Company and its Subsidiaries, including those described in Tax Code Section 423.

(c) These dollar limitations apply to the Fair Market Value of Common Stock on the first day of the Purchase Right Period.

Section 3.4. Granting of Purchase Rights. (a) The price at which each share covered by a Purchase Right will be purchased will in all instances be one hundred percent (100%) of the Fair Market Value of a share of Common Stock on the last day of that Purchase Right Period; provided, however, that the Board in its discretion from time to time may determine that it is in the best interests of the Company to charge, and direct that the purchase price will be (for such period or until the Board in its discretion determines otherwise), such lesser percentage of Fair Market Value with respect to newly issued shares of Common Stock as may be specified by the Board.

(b) Notwithstanding the provisions of Paragraph (a) above, and subject to the limitations of Section 33 above, in no event will a Participant be entitled to purchase more than ten thousand (10,000) shares in a single Purchase

Right Period.

Section 3.5. Establishment of the Plan Account. (a) All amounts contributed by the Participant to the Plan (whether by means of payroll withholding or a lump sum advance contribution, or both) will be deposited into a separate account maintained for all of the Participants (the "Plan Account"). The Company will maintain a separate bookkeeping account on its books and records for each Participant for the purpose of crediting all additions to and subtractions from the Plan Account made by or on behalf of the Participant, and such books and records shall be conclusive as to the existence and amounts thereof absent manifest error.

(b) No interest will be earned on any Participant contributions to the Plan.

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(c) A Participant may not withdraw any amounts from his or her deposits (including withholdings and lump sum contributions) into the Plan Account without terminating his or her Purchase Right for the applicable Purchase Right Period pursuant to Section 41 below.

#### ARTICLE IV

##### PURCHASE RIGHTS.

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Section 4.1. Termination of Purchase Rights. (a) A Participant may withdraw from the Plan at any time with respect to the then current or the next Purchase Right Period (as specified by the Participant) by submitting written notice to the Company by no later than the fifteenth (15th) day of the last month of the then current Purchase Right Period. The Participant's Purchase Right shall terminate upon his or her withdrawal from the Plan.

(b) Except as otherwise provided in Section 45 hereof, a Purchase Right shall terminate automatically if the Participant holding the Purchase Right: (i) ceases to be employed by the Company, any Subsidiary or any SPAR Affiliate for any reason for more than ninety (90) days; or (ii) is on a leave of absence in excess of ninety (90) days, unless the Participant's rights to reemployment are guaranteed by statute or contract with the Company, any Subsidiary or any SPAR Affiliate; provided that no termination will occur if an employee is immediately hired by any other company consisting of either the Company, its subsidiaries or any SPAR Affiliate.

(c) Upon the termination of a Purchase Right, all amounts held for the Participant in the Plan Account shall be refunded to the Participant no later than ninety (90) days after the date of termination.

(d) Notwithstanding the above provisions of this Section 41, in the event that a Participant ceases making contributions during a Purchase Right Period but does not incur a termination of employment, the Participant may elect to leave his or her prior contributions in the Plan to be used to purchase Common Stock at the end of the Purchase Right Period. However, in no event can a Participant: (i) reduce (but not eliminate) his or her contributions during a Purchase Right Period; or (ii) suspend his or her contributions and recommence making them in the same Purchase Right Period, unless due to a leave of absence.

Section 4.2. Exercise of Purchase Rights. (a) Unless previously terminated, Purchase Rights will be exercised automatically on the last day of the Purchase Right Period.

(b) Except as provided in Section 32(b) above, payment for shares to be purchased at the termination of the Purchase Right Period may only be made from funds: (i) deposited at the beginning of a Purchase Right Period; and/or (ii) accumulated through payroll deductions made during the Purchase Right Period.

(c) The Company, at its option may either (i) issue stock certificates to each individual purchaser for the whole number of shares of Common Stock or (ii) issue one or more global stock certificates for the aggregate number of shares of Common Stock, and maintain records of the amount of Common Stock owned by each individual purchaser, as soon as practicable following the date of the exercise of the Purchase Right.

(d) Fractional shares will not be issued under the Plan. Any accumulated payroll deduction or funds deposited at the beginning of a Purchase Right Period that otherwise would have been used to purchase fractional shares (but for the foregoing) will be carried forward and applied toward the purchase of Common Stock under the Plan at the end of the next Purchase Right Period.

Section 4.3. Extraordinary Event. The following provisions of this Section 4.3 shall apply, notwithstanding any other Section of this Plan to the contrary.

(a) An "Extraordinary Event" shall be deemed to occur as a result of (i) the dissolution, liquidation or sale of all or substantially all of the business, properties and assets of the Company, (ii) any reorganization, merger or consolidation in which the Company does not survive, (iii) any reorganization, merger, consolidation or exchange of securities in which the Company does survive and any of the Stockholders have the opportunity to receive cash, securities of another corporation and/or other property in exchange for their capital stock of the Company, or (iv) any acquisition by any person or group (as defined in Section 13(d) of the Exchange Act) of beneficial ownership of more than fifty percent (50%) of the Common Stock (other than ownership by Robert G. Brown, William H. Bartels, their respective families, trusts under which either of them is a trustee or beneficiary, and corporations and other entities under their individual or collective control).

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(b) All Purchase Rights shall be deemed automatically exercised immediately preceding the Extraordinary Event. In such an event, the Purchase Right Period shall be deemed to have ended on such preceding day, and accordingly the purchase price for the Common Stock purchased in such exercise shall be based on the Fair Market Value of the Common Stock on that date for purposes of Section 34(a) above.

Section 4.4. Non-Transferability of Purchase Rights. A Purchase Right may not be assigned or otherwise transferred by a Participant other than by will and the laws of descent and distribution. During the lifetime of the Participant, the Purchase Right may be exercised only by the Participant.

Section 4.5. Death or Disability. Except as may otherwise be expressly provided in the Participant's written employment or termination contract, upon the death or Disability of a Participant while employed by the Company or any Subsidiary or any SPAR Affiliate, the Purchase Rights of such Participant shall continue for the balance of the then current Purchase Right Period, and the Participant or his estate shall purchase and receive the shares of Common Stock provided under this Plan. The Participant's SPAR Affiliate employer shall continue to make the previously elected payroll deductions for the balance of the then current Purchase Right Period with respect to such Participant to the extent any amounts are due to such Participant in the relevant payroll periods. A disabled Participant or the estate of a deceased Participant may, but shall not be required to, make up any deduction shortfalls in the manner contemplated by Section 32(c) hereof.

#### ARTICLE V

##### COMMON STOCK.

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Section 5.1. Shares Subject to Plan. (a) The maximum number of share of Common Stock which may be issued under the Plan is five hundred thousand (500,000) shares, subject to adjustment pursuant Section 5.2 below, provided that in no event shall the aggregate number of shares of Common Stock that may be issued under this Plan and the ESP Plan exceed 500,000 (subject to such adjustments).

(b) If any outstanding Purchase Right is terminated for any reason prior to its exercise, the shares allocable to the Purchase Right may again become subject to purchase under the Plan.

(c) The Common Stock issuable under the Plan may be previously unissued or may have been reacquired by the Company in the open market (or otherwise).

Section 5.2. Adjustment Upon Changes in Capitalization. A proportionate adjustment shall be made by the Committee in the number, kind or other relevant

affected attribute of the shares subject to outstanding Purchase Rights if after the end of a Purchase Right Period and before the issuance of the affected shares the outstanding shares of Common Stock are increased, decreased or exchanged for different securities, through reorganization, recapitalization, reclassification or other similar transaction (not constituting an Extraordinary Event under Section 43 above).

Section 5.3. Compliance with Securities Laws. (a) It is a condition to the exercise of any Purchase Right that either (i) a Registration Statement under the Securities Act with respect to the shares of Common Stock to be issued upon such exercise shall be effective and current at the time of exercise, or (ii) there is an exemption from registration under the Securities Act for the issuance of the shares of Common Stock upon such exercise. Nothing herein shall be construed as requiring the Company to register shares subject to any Purchase Right under the Securities Act or to keep any Registration Statement effective or current.

(b) The Committee may require, in its sole discretion, as a condition to the exercise of a Purchase Right that the Participant execute and deliver to the Company such Participant's representations and warranties, in form, substance and scope satisfactory to the Committee, as the Committee may determine to be necessary or convenient to facilitate the perfection of an exemption from the registration requirements of the Securities Act, applicable state securities laws or other legal requirements, including (without limitation) that (i) the shares of Common Stock to be issued upon exercise of the Purchase Right are being acquired by the Participant for the Participant's own account, for investment only and not with a view to the resale or distribution thereof, and (ii) any subsequent resale or distribution of shares of Common Stock by such Participant will be made only pursuant to (A) a Registration Statement under the Securities Act which is effective and current with respect to the shares of Common Stock being sold, or (B) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption, the Participant, prior to any offer of sale or sale of such shares of Common Stock, shall provide the Company with a favorable written opinion of counsel satisfactory to the Company, in form, substance and scope satisfactory to the Company, as to the applicability of such Securities Act exemption to the proposed sale or distribution.

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(c) In addition, if at any time the Committee shall determine that the listing or qualification of the shares of Common Stock subject to such Purchase Right on any securities exchange, Nasdaq or under any applicable law, or that the consent or approval of any governmental agency or regulatory body, is necessary or desirable as a condition to, or in connection with, the granting of a Purchase Right or the issuance of shares of Common Stock thereunder, such Purchase Right may not be granted or exercised in whole or in part, as the case may be, unless such listing, qualification, consent or approval shall have been effected or obtained by the Company free of any conditions not acceptable to the Committee.

#### ARTICLE VI

##### PLAN ADMINISTRATION.

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Section 6.1. Administration. (a) The Plan shall be administered by the Committee. The Committee shall have the authority to: (i) interpret the Plan; (ii) prescribe rules and procedures relating to the Plan; and (iii) take all other actions necessary or appropriate for the administration of the Plan.

(b) A majority of the members of the Committee shall constitute a quorum, and any action shall constitute the action of the Committee if it is authorized by: (i) a majority of the members present at any meeting; or (ii) all of the members in writing without a meeting.

(c) Any controversy or claim arising out of or relating to this Plan, any Purchase Right granted under this Plan or the books and records of the Company with respect thereto shall be determined unilaterally by the Committee in their sole and absolute discretion. The determinations of the Committee on such matters shall be final, conclusive and binding on all parties.

(d) No present or former member of the Committee or Board of Directors

or employee of the Company, any Subsidiary or any SPAR Affiliate shall be liable for any action, inaction or determination made in good faith with respect to this Plan, any Purchase Right granted hereunder or any bookkeeping entry made in connection therewith.

(e) Notwithstanding anything herein to the contrary, the Board may at any time and from time to time make any determination or take any other action delegated to the Committee hereunder.

Section 6.2. Indemnification. (a) To the maximum extent permitted by law, the Company shall indemnify each member of the Committee and every other member of the Board, as well as any other employee of the Company or any Subsidiary or Affiliate Employee, from and against any and all liabilities and expenses (including any amount paid in settlement or in satisfaction of a judgment and reasonable attorneys fees and expenses) reasonably incurred by the individual in connection with any claims against the individual by reason of any action, inaction or determination by the individual under the Plan. This indemnity shall not apply, however, if: (i) it is determined in the action, lawsuit, or proceeding that the individual is guilty of gross negligence or intentional misconduct in the performance of any duties under the Plan; or (ii) the individual fails to assist the Company in defending against any such claim.

(b) Notwithstanding the above, the Company shall have the right to select counsel and to control the prosecution or defense of the suit.

(c) Furthermore, the Company shall not be obligated to indemnify any individual for any amount incurred through any settlement or compromise of any action unless the Company consents in writing to the settlement or compromise.

#### ARTICLE VII

##### AMENDMENT AND TERMINATION.

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Section 7.1. Amendment and Termination. The Board may amend or terminate the Plan at any time by means of written action, except with respect to outstanding Purchase Rights during a Purchase Period. However, notwithstanding the preceding sentence, the Committee may elect to accelerate the last day of the Purchase Right Period (by means of an amendment to the Plan or otherwise) at any time.

Section 7.2. Stockholder Approval. (a) No shares of Common Stock shall be issued under the Plan unless the Plan is approved by the Stockholders within twelve (12) months before or after the date of the adoption of the Plan by the Board.

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(b) If the Plan is not approved by the Stockholders within that time period, the Plan and all Purchase Rights issued under the Plan will terminate and all contributions will be refunded to the Participants. The approval by the Stockholders must relate to: (i) the class of individuals who may be Participants; and (ii) the aggregate number of shares that can be granted under the Plan. If either of those items are changed, the approval of the Stockholders must again be obtained.

#### ARTICLE VIII

##### MISCELLANEOUS MATTERS.

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Section 8.1. Uniform Rights and Privileges. The rights and privileges of all Participants under the Plan shall be the same.

Section 8.2. Application of Proceeds. The proceeds received by the Company from the sale of Common Stock pursuant to Purchase Rights may be used for any corporate purpose.

Section 8.3. No Additional Rights. (a) Neither the adoption of this Plan nor the granting of any Purchase Right shall: (i) affect or restrict in any way the power of the Company, any Subsidiary or any SPAR Affiliate to undertake any corporate action otherwise permitted under applicable law; or (ii) confer upon any Participant the right to continue to be employed by the Company or any

Subsidiary or SPAR Affiliate, nor shall it interfere in any way with the right of the Company, any Subsidiary or any SPAR Affiliate to terminate the employment of any Participant at any time, with or without cause.

(b) No Participant shall have any rights as a Stockholder with respect to shares covered by a Purchase Right until such time as the Participant is listed as the owner of record of the purchased shares on the books and records of the Company's transfer agent.

(c) No adjustments will be made for cash dividends or other rights for which the record date is prior to the date the Participant is listed as the owner of record of the purchased shares on the books and records of the Company's transfer agent .

Section 8.4. Governing Law. This Plan and all related matters shall be governed by, and construed in accordance with, the laws of the State of Delaware (other than those that would defer to the substantive laws of another jurisdiction).

Section 8.5. Construction. None of the terms or provisions of this Plan or any related document shall be construed or interpreted with any presumption against the Company by reason of the Company causing the drafting thereof. Whenever from the context it appears appropriate, any term stated in either the singular or plural shall include the plural and singular, respectively, and any term stated in the masculine, feminine or neuter gender shall include the other forms as well. Captions and headings have been provided for convenience and shall not affect the meaning or interpretation of this Plan.

Section 8.6. Partial Invalidity. The invalidity, illegality or unenforceability of any provision in this Plan shall not affect the validity, legality or enforceability of any other provision, all of which shall be valid, legal and enforceable to the fullest extent permitted by applicable law.

Jenkins & Gilchrist Parker Chapin LLP

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November 6, 2001

SPAR Group, Inc.  
580 White Plains Road  
Tarrytown, NY 10591

Ladies and Gentlemen:

We have acted as counsel for SPAR Group, Inc., a Delaware corporation (the "Company"), in connection with its Registration Statement on Form S-8 (the "Registration Statement") to be filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Act") relating to the registration of 500,000 shares of Common Stock, par value \$.01 per share (the "Shares"), issuable pursuant to the Company's 2001 Consultants Stock Purchase Plan (the "Plan").

In connection with the foregoing, we have examined the Registration Statement and originals or copies, satisfactory to us, of the following: (i) the certificate of incorporation and all amendments thereto of the Company as certified by the Secretary of State of the State of Delaware on April 3, 2000; (ii) the by-laws and all amendments thereto of the Company; (iii) a unanimous written consent of the Board of Directors of the Company dated June 29, 2001, by which resolutions were adopted relating to the approval of the Plan (items (i) through (iii) will be referred to individually as a "Organizational Document" and collectively as the "Organizational Documents"); and (iv) the Plan. In addition, we have made such other investigations of applicable statutes and regulations of the State of New York and the United States of America and the applicable provisions of the DGCL (as hereinafter defined) currently in effect as we deemed necessary under customary practice to enable us to render this Opinion Letter.

In conducting our examination, we have assumed (with your consent) the genuineness of all signatures, the legal capacity of all individual signatories, the accuracy of all documents submitted to us as originals and the conformity to originals of all documents submitted to us as copies (whether or not certified). As to any facts material to such opinion, we have relied on certificates of public officials and certificates, oaths and declarations of officers or other representatives of the Company. Each of the governmental certificates, publicly filed or recorded items and searches of public record (if any) reviewed by us were obtained by an independent firm not under our control or supervision, and we have assumed (with your consent) that they are sufficient and would disclose no additional relevant facts if updated through the date of this Opinion Letter. In addition, we have assumed (with your consent) and without independent investigation have relied upon the factual accuracy of the information contained in the items we examined and upon the assumptions we have made in this Opinion Letter. Except as expressly set forth in this Opinion Letter, we have not undertaken any independent investigation, examination or inquiry to confirm or determine the existence or absence of any facts, searched any of the books, records or files of the Company or any other person, searched any internal file, court file, public record or other information collection, or examined or reviewed any communication, instrument, agreement, document, file, financial statement, tax return, minute, record, lien, or other item. The Organizational Documents, the Plan and the Registration Statement are the only items of their respective types reviewed by us in connection with or covered by us in this Opinion Letter.

November 6, 2001

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Our opinion is as of and limited to the date hereof and we do not in any event undertake to advise you of any facts or circumstances occurring or coming to our attention or any changes in applicable law subsequent to the date hereof. Whenever any opinion of ours refers to or includes the payment or other performance of any obligation or the issuance, execution or delivery of any instrument, certificate or other item after the date hereof, it is based on our assumption that: (i) all relevant facts and circumstances will be the same at such future time as we believe them to be on the date hereof (except as noted in the next clause (ii)); (ii) each party will have taken all future or further actions necessary or appropriate thereto; (iii) no relevant liens, filings, approvals, permits or similar items will have expired or otherwise adversely changed; and (iv) no changes will have occurred in any of the Registration Statement, the Plan, the Organizational Documents, or other relevant certificates and documents, applicable law, trade usage or course of dealings.

Finally, we are counsel admitted to practice only in the State of New York, and we express no opinions as to the applicable laws of any jurisdiction other than those of the State of New York, the Delaware General Corporation Law including the Constitution of the State of Delaware and reported judicial interpretations thereof (together with the Delaware General Corporation Law, the "DGCL") and the United States of America.

Based upon and subject to the foregoing, we are of the opinion that the Shares to be issued pursuant to the Plan will be, when issued and fully paid for pursuant to the provisions of the Plan, legally issued, fully paid and non-assessable.

We hereby consent to the filing of a copy of this opinion as an exhibit to the Registration Statement. In giving this consent, however, we are not thereby admitting that we are within the category of persons whose consent is required under Section 7 of the Act, the rules and regulations of the Securities Exchange Commission promulgated thereunder, or Item 509 of Regulation S-K promulgated under the Act.

Very truly yours,

/s/ Jenkins & Gilchrist Parker Chapin LLP

Jenkins & Gilchrist Parker Chapin LLP



Consent of Independent Auditors

We consent to the incorporation by reference in the Registration Statement (Form S-8) pertaining to the SPAR Group, Inc. 2001 Consultant Stock Purchase Plan, of our report dated March 2, 2001, with respect to the consolidated financial statements of SPAR Group, Inc. included in its Annual Report (Form 10-K/A) for the year ended December 31, 2000, filed with the Securities and Exchange Commission.

Minneapolis, Minnesota  
November 7, 2001

/s/ Ernst & Young LLP