

ASA HUTCHINSON  
GOVERNOR

B. EDMOND WATERS  
COMMISSIONER



HERITAGE WEST BUILDING, SUITE 300  
201 EAST MARKHAM STREET  
LITTLE ROCK, ARKANSAS 72201-1692  
TELEPHONE: (501) 324-9260  
FACSIMILE: (501) 324-9268

## ARKANSAS SECURITIES DEPARTMENT

To: Arkansas Legislative Council  
Co-Chairs, Senator Bill Sample and Representative David L. Branscum  
c/o Kevin Anderson, Bureau of Legislative Research  
Fr: Arkansas Securities Department  
Re: Arkansas Securities Department Quarterly Report Pursuant to Act 52 of 2015  
Date: January 8, 2016

During the second quarter of fiscal year 2016, the Arkansas Securities Department collected a total of \$73,638.90 in fines assessed from Consent Orders. Of the total amount of fines collected, \$13,638.90 was deposited to Special Revenue, Fund SIE0000, and \$60,000 was deposited to General Revenue. A listing of the orders by the case name with detail of the amounts collected is provided on the attached spreadsheet. During this period, there were no settlements or agreements that directed payments to third parties other than the consent order that directed restitution to be paid to the Arkansas consumers. Copies of the Orders are available on the Department's website at [www.securities.arkansas.gov](http://www.securities.arkansas.gov) under the legal section.

Pursuant to the Arkansas Securities Act, fines paid for violations involving the Securities Act are deposited into the Investor Education Fund, until the balance reaches \$150,000. Securities Act fine money in excess of \$150,000 collected in any one year is designated as general revenues.

During the fourth quarter there were \$75,944.68 in expenditures from the Investor Education Fund. Expenditures included \$6,362.33 for promotional items; \$121.50 for travel reimbursement; \$76.30 for freight; \$16.35 for printing; \$37.53 for fuel for the state car; and \$69,330.67 for grants to 17 public schools and 1 non-profit organization. The Investor Education program made 8 presentations to approximately 374 persons throughout the state. The programs included presentations on Planning for Retirement that were directed to pre-retirees and state employees and training for teachers and school administrators about teaching investing basics.

2nd Quarterly Report for Legislative Council FY2016

	A	B	C	D	E	F	G	H	I	J
1	Date	Name of Order	Order Number	Amount of Funds	Funds Received by	Funds Received by	Rescission Offer or	Activities Funded	Summary	Rationale
2				Total	SIE0000	AGA0000	Arkansas investors			
3					Previously Fund SDH0100					
4	10/6/2015	Jonathan Edward Rago	S-13-0137-15-OR01	\$500.00	\$500.00			Investor Education	Consent Order	Total fine of \$7,500 with 15 monthly payments of \$500.
5	10/6/2015	Fusion Resources, LLC - Little Garrett Project	S-15-0037-15-OR01	\$500.00	\$500.00			Investor Education	Consent Order	Late notice filing of Form D
6	10/6/2015	Fusion Resources, LLC - Chappell Maddux Project	S-15-0036-15-OR01	\$500.00	\$500.00			Investor Education	Consent Order	Late notice filing of Form D
7	10/7/2015	Allied Energy, Inc.	S-15-0013-15-OR02	\$2,500.00	\$2,500.00			Investor Education	Consent Order	Total fine of \$7,500 with 3 installments of \$2,500.
8	10/20/2015	New Day Financial	C-15-0000-15-OR01	\$60,000.00		\$60,000.00		General Revenue	Consent Order	Total fine of \$120,000. Final payment.
9	10/27/2015	Allied Energy, Inc.	S-15-0013-15-OR02	\$2,500.00	\$2,500.00			Investor Education	Consent Order	Total fine of \$7,500 with 3 installments of \$2,500. Final payment
10	11/3/2015	Salvatore Gioe	S-13-0112-15-OR04	\$694.45	\$694.45			Investor Education	Consent Order	Total fine of \$15,000. Initial check of \$10,000 was returned for insufficient funds. New payment schedule of initial payment of \$2,500 and monthly payments of \$694.45 amended by Order on April 1, 2015.
11	11/9/2015	Splendid Labs, Inc.	S-15-0041-15-OR01	\$500.00	\$500.00			Investor Education	Consent Order	Late notice filing of Form D
12	11/20/2015	Prospect Mortgage, LLC	C-15-0046-15-OR01				\$40 per consumer (24 consumers)	Restitution to Consumers	Consent Order	Multistate settlement for violations of RESPA. Prospect is required to make restitution to all Arkansas consumers within 90 days. Civil penalty due to the General Fund on January 31, 2016.
13	11/23/2015	Vision Technologies, Inc.	S-11-0393-OR01	\$1,000.00	\$1,000.00			Investor Education	Consent Order	Total fine of \$8,000 with a balance of \$6,000.
14	12/3/2015	Steele Stephens	60CV-15-3037	\$3,750.00	\$3,750.00			Investor Education	Judgment Order	Initial payment of \$5,000 with 4 quarterly installments of \$3,750.
15	12/7/2015	Salvatore Gioe	S-13-0112-15-OR04	\$694.45	\$694.45			Investor Education	Consent Order	Total fine of \$15,000. Initial check of \$10,000 was returned for insufficient funds. New payment schedule of initial payment of \$2,500 and monthly payments of \$694.45 amended by Order on April 1, 2015.
16	12/7/2015	Blue Zebra Brands, Inc.	S-15-0040-15-OR01	\$500.00	\$500.00			Investor Education	Consent Order	Late notice filing of Form D
17		Totals		\$73,638.90	\$13,638.90	\$60,000.00	\$960.00			