



Arkansas Securities
Department



Department of
Commerce

To: Arkansas Legislative Council

Co-Chairs, Senator Terry Rice and Representative Jeff Wardlaw
c/o Marty Garrity, Bureau of Legislative Research

From: Arkansas Securities Department

Re: Arkansas Securities Department Quarterly Report Pursuant to Act 52 of 2021

Date: January 10, 2023

During the 2nd quarter of Fiscal Year 2023, the Arkansas Securities Department collected a total of \$42,500 assessed from orders. The total amount was deposited into the State General Revenue fund. A list of the orders is provided on the attached spreadsheet. No settlements or agreements directed payments to a specific entity. Copies of the orders are available on the Department's website at 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 total amount of fines collected reaches \$150,000.00 for each fiscal year. Securities Act fine money in excess of \$150,000.00 collected in any one year is designated as general revenues. All funds collected for violations of the Fair Mortgage Lending Act are directed to general revenue.

During the 2nd quarter of FY'23, the Department spent \$176.90 from the Investor Education Fund on promotional items and \$534.18 on operating expenses. In addition, the Department awarded \$75,000 in grants to 16 schools and one non-profit for the purpose of providing securities/investment education to teachers and students about the securities industry, the stock markets, and investment decision-making. The Investor Education Program made seven presentations to approximately 281 persons during this quarter. These presentations focused on financial literacy and functions of the Arkansas Securities Department. Throughout the 2nd quarter, the Investor Education Program continued its partnership with Economics Arkansas to host a program for middle school students at Dunbar Magnet Middle School in Little Rock. This program is designed to instruct the students on matters of financial literacy. There are approximately 22 students participating in the program.

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A	B	C	D	E	F	G	H	I
Date	Name of Order	Order Number	Total Amount of Fines Assessed	Funds Received by SIED000	Funds Received by AGA0000	Rescission Offer or Restitution to Arkansas investors	Activities Funded	Summary
10/07/2022	The Cristal Resort HSV, LLC	S-22-0030-22-OR01	\$500.00		\$ 500.00		General Revenue	Cristal Resort is a limited liability company organized and operating under the laws of the State of Arkansas. Cristal Resort is not registered with the Arkansas Securities Department and made an exemption filing on August 26, 2022 and sold securities to two separate residents of Arkansas on June 23, 2021 and September 27, 2021.
12/07/2022	Expert-Trading FX	S-22-0045-22-OR01	\$500.00		\$ 500.00		General Revenue	Element Analytics is a limited liability company organized and operating under the laws of the State of Delaware. Element Analytics is not registered with the Arkansas Securities Department and made an exemption filing on March 31, 2022 and sold securities to a resident of Arkansas on March 11, 2022 and August 11, 2022.
10/14/2022	Gaingels Booster Fuels I, a Series of Republic Deal Room Master Fund, LP	S-22-0035-22-OR01	\$500.00		\$ 500.00		General Revenue	Gaingels Booster Fuels I is a limited liability company organized and operating under the laws of the State of Delaware. Gaingels Booster Fuels I is not registered with the Arkansas Securities Department and made an exemption filing on September 27, 2022 and sold securities to a resident of the State of Arkansas on April 4, 2022.
10/14/2022	Gaingels Remote I, a Series of Republic Deal Room Master Fund, LP	S-22-0034-22-OR01	\$500.00		\$ 500.00		General Revenue	Gaingels Remote I is a limited liability company organized and operating under the laws of the State of Delaware. Gaingels Remote I is not registered with the Arkansas Securities Department and made an exemption filing on September 27, 2022 and sold securities to a resident of Arkansas on April 28, 2022.
11/04/2022	PrimePay, LLC	C-22-0026-22-OR01	\$100,000.00		\$ 20,000.00		General Revenue	PrimePay maintains a principal place of business in West Chester, PA. PrimePay provides money transmission services to businesses for payroll services. PrimePay self-disclosed that it engaged in the business of money transmission in Arkansas without a license from 2019 to present. PrimePay will pay the \$100,000 penalty in five monthly installments.

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A	B	C	D	E	F	G	H	I
12/04/2022	PrimePay, LLC	C-22-0026-22-OR01			\$ 20,000.00		General Revenue	PrimePay maintains a principal place of business in West Chester, PA. PrimePay provides money transmission services to businesses for payroll services. PrimePay self-disclosed that it engaged in the business of money transmission in Arkansas without a license from 2019 to present. PrimePay will pay the \$100,000 penalty in five monthly installments.
8							General Revenue	Irenica Adelaide is a limited partnership organized and operating under the laws of the State of Delaware. Irenica Adelaide is not registered with the Arkansas Securities Department and made an exemption filing on September 26, 2022 and sold securities to an Arkansas resident on August 13, 2022.
9					\$ 500.00			
10								
11								
12	Totals		\$102,500.00	\$0.00	\$42,500.00			