

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: Legislative Council
Co-Chairs, Senator Cecile Bledsoe and Representative Jeff Wardlaw
c/o Marty Garrity, Bureau of Legislative Research

Fr: Arkansas Securities Department

Re: Arkansas Securities Department Quarterly Report Pursuant to Act 167 of 2018

Date: April 9, 2019

During the third quarter of fiscal year 2019, the Arkansas Securities Department collected a total of \$51,000 in fines assessed from Orders. All of the amount collected from fines was deposited to general revenues. A listing of the orders by the case name with detail of the amounts collected is provided on the attached spreadsheet. There were no settlements or agreements that directed payments to third parties. 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 for each fiscal year. Securities Act fine money in excess of \$150,000 collected in any one year is designated as general revenues.

During the third quarter there were \$737.33 in expenditures from the Investor Education Fund. Expenditures include \$274.26 for mileage, \$95.45 for meals, \$229.66 for lodging, \$5.59 for parking fees, \$107.67 for fuel for the state car, and \$24.70 for supplies. The Investor Education program made 15 presentations to approximately 634 persons during this quarter. The programs included presentations on *What's Your Plan for Your Future* that were directed to inmates in the Department of Corrections re-entry program; investing basics and financial literacy to girl scouts; and investing basics and Stock Market training for teachers.

3rd Quarter Report for Legislative Council FY2019

	A	B	C	D	E	F	G	H	I
1	Date	Name of Order	Order Number	Total Amount of Fines Assessed	Funds Received by SIE0000	Funds Received by AGA0000	Rescission Offer or Restitution to Arkansas investors	Activities Funded	Summary
2									
3	1/14/2019	Hightimes Holding Corp	S-19-0001-19-OR01	\$1,000.00		\$1,000.00		General Revenue	Consent Order for a late notice filing for Reg A, Tier 2
4	1/22/2019	LPL Financial LLC	S-16-0069-OR02	\$40,000.00		\$40,000.00		General Revenue	Consent Order for inconsistently classifying securities on client account statements.
5	2/5/2019	Revive Solutions, Inc.	S-19-0003-19-OR01	\$1,000.00		\$1,000.00		General Revenue	Consent Order for a late notice filing for Reg D offering
6	2/14/2019	David Butler	S-19-0014-19-OR01	\$3,000.00		\$3,000.00		General Revenue	Consent Order granting conditional registration as an investment adviser representative requiring heightened supervision and pay a fine.
7	2/22/2019	Bottoms Up Real Estate Investments LLC	S-19-0008-19-OR01	\$1,000.00		\$1,000.00		General Revenue	Consent Order for a late notice filing for Reg D offering
8	3/8/2019	Lumoxchange LLC	S-19-0026-19-OR01	\$1,000.00		\$1,000.00		General Revenue	Consent Order for a late notice filing for Reg D offering
9	3/13/2019	Metis Equity Trust - Metis International Micro Cap Portfolio	S-19-0013-19-OR01	\$1,000.00		\$1,000.00		General Revenue	Consent Order for a late notice filing for Reg D offering
10	3/18/2019	Eagle Pioneer Fund LLC and Eagle Alcyone Fund II, LLC	S-19-0018-19-OR01; S-19-0019-19-OR01	\$2,000.00		\$2,000.00		General Revenue	Consent Order for a late notice filing for Reg D offering
11	3/20/2019	Moonlighting LLC	S-19-0028-19-OR01	\$1,000.00		\$1,000.00		General Revenue	Consent Order for a late notice filing for Reg D offering
12									
13									
14									
15		Totals		\$51,000.00	\$0.00	\$51,000.00	\$0.00		