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## ARKANSAS SECURITIES DEPARTMENT

To: Legislative Council Committee  
Co-Chairs, Senator Bill Sample and Representative Jim Dotson  
c/o Marty Garrity, Bureau of Legislative Research  
Fr: Arkansas Securities Department  
Re: Arkansas Securities Department Quarterly Report Pursuant to Act 676 of 2017  
Date: April 11, 2018

During the third quarter of fiscal year 2018, the Arkansas Securities Department collected a total of \$186,537.26 in fines assessed from Orders. \$26,570.26 was deposited to Special Revenue, Fund SIE0000, and \$159,967.00 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. 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](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 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 \$17,119.89 in expenditures from the Investor Education Fund. Expenditures include \$114.05 for fuel for the state car, \$944.14 for supplies, and \$16,061.70 for grants to 1 public school and Economics Arkansas. The grant to Economics Arkansas is to provide a curriculum and teacher training in support of Act 480 of 2017. The Investor Education program made 13 presentations to approximately 484 persons. The programs included presentations on *What's Your Plan for Your Future* that was directed to inmates in the Department of Corrections re-entry program, *Stock Market Game* teacher training, and *Planning for Retirement* for teachers.

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	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	1/2/2018	Yield Wealth and Charles Kochel	S-17-0033-OR01	\$2,078.66	\$2,078.66			Investor Education	Consent Order for unregistered activity. Fine was received from order dated 11/27/17
4	1/2/2018	Salvatore Gioe	S-13-0112-14-OR03	\$3,491.60	\$3,491.60			Investor Education	Consent Order - The amount of the fine had been written off due to being uncollectible. Fine has been paid in full.
5	1/3/2018	PHH Mortgage Corporation	C-16-0106-18-OR01	\$159,967.00		\$159,967.00		General Revenue	Multi-state Consent Order for violations related to mortgage servicing practices under the Fair Mortgage Lending Act and Rules
6	2/5/2018	Wesleyan Investment Foundation, Inc.	S-17-0132-18-OR01	\$10,000.00	\$10,000.00			Investor Education	Consent Order for failure to make filings for exemptions from registration under the Securities Act.
7	2/15/2018	KBS Strategic Opportunity REIT, Inc.	S-18-0018-18-OR01	\$2,000.00	\$2,000.00			Investor Education	Consent Order for failure to make filings for exemptions from registration under the Securities Act.
8	2/20/2018	RealtyShares 334; RealtyShares 336; RealtyShares 347	S-17-0131-18-OR01; S-18-0009-OR01; S-18-0010-OR01	\$3,000.00	\$3,000.00			Investor Education	Consent Order for late Reg. D filings
9	2/22/2018	Phillips Edison Grocery Center REIT II, Inc.	S-18-0021-18-OR01	\$2,000.00	\$2,000.00			Investor Education	Consent Order for failure to make filings for exemptions from registration under the Securities Act.
10	2/22/2018	KBS Real Estate Investment Trust III, Inc.	S-18-0022-18-OR01	\$2,000.00	\$2,000.00			Investor Education	Consent Order for failure to make filings for exemptions from registration under the Securities Act.
11	2/28/2018	Caprocq Core Holdings, LP	S-17-0128-18-OR01	\$1,000.00	\$1,000.00			Investor Education	Consent Order for late Reg. D filings
12	3/16/2018	Sniffle Health Inc	S-18-0037-18-OR01	\$1,000.00	\$1,000.00			Investor Education	Consent Order for late Reg. D filings
13									
14		Totals		\$186,537.26	\$26,570.26	\$159,967.00	\$0.00		