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ARKANSAS SECURITIES DEPARTMENT

To: Arkansas Legislative Council
Co-Chairs, Senator Terry Rice 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 52 of 2021
Date: July 13, 2021

During the 4th quarter of Fiscal Year 2021, the Arkansas Securities Department collected a total of \$58,000.00 assessed from Orders. The total amount was deposited to the Investor Education 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 for each fiscal year. Securities Act fine money in excess of \$150,000 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 4th quarter \$2,929.13 was spent from the Investor Education Fund on promotional items and \$8,309.30 on workspaces for the Department's investor education program. The Investor Education program made three presentations to an estimated 149 persons during this quarter. These presentations focused on avoiding frauds and scams and understanding cryptocurrency. Regular presentations for seniors, retirement planning, and inmates at corrections facilities were cancelled or postponed due to the Covid-19 global pandemic.

Monetary Penalty Report 4th Quarter FY2021

| A | B | C | D | E | F | G | H | I |
|-----------|---------------------------------|-------------------|--------------------------------|---------------------------|---------------------------|---|--------------------|--|
| 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 consumers | Activities Funded | Summary |
| 6/16/2021 | David Butler | S-20-0026-21-OR01 | \$8,000.00 | \$8,000.00 | | | Investor Education | Order granting David Butler conditional registration as a Broker Dealer Agent with Veritas Independent Partners, LLC. |
| 6/21/2021 | Cetera Investment Services, LLC | S-20-0013-20-OR01 | \$50,000.00 | \$50,000.00 | | | Investor Education | A Consent Order issued in connection with the firm's failure to supervise in violation of the Arkansas Securities Act. |
| Totals | | | | | | | | |
| | | | \$58,000.00 | \$58,000.00 | \$0.00 | \$0.00 | | |