

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 Committee  
Co-Chairs, Senator Bill Sample and Representative David Branscum  
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: October 6, 2017

During the first quarter of fiscal year 2018, the Arkansas Securities Department collected a total of \$42,879.31 in fines assessed from Orders. \$42,879.31 was deposited to Special Revenue, Fund SIE0000. 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 first quarter there were \$2,504.88 in expenditures from the Investor Education Fund. Expenditures include \$104.10 for fuel for the state car, \$155.38 for freight, and \$2,245.40 for promotional items. The Investor Education program made 14 presentations to approximately 466 persons. The programs included presentations on Planning for Retirement that were directed to state employees and teachers, Stock Market Game training for teachers, fraud prevention seminars for senior citizens, and basic investor education and financial literacy for teachers in the career and technical education field.

1st Quarter Report for Legislative Council FY2018

	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 Restitution to	Activities Funded	Summary	Rationale
2				Total	SIE0000	AGA0000	Arkansas investors			
3										
4	7/12/2017	Crave Innovations, Inc.	S-17-0067-17-OR01	\$1,000.00	\$1,000.00			Investor Education	Late Form D filing	
5	7/25/2017	Mullen Technologies, Inc.	S-14-0071-17-OR01	\$1,000.00	\$1,000.00			Investor Education	Late Form D filing	
6	8/1/2017	Strawberry Fields, LLC	S-17-0072-17-OR01	\$1,000.00	\$1,000.00			Investor Education	Late Form D filing	
7	9/12/2017	Menguin, Inc.	S-17-0097-17-OR01	\$1,000.00	\$1,000.00			Investor Education	Late Form D filing	
8	9/21/2017	David William Dalton	S-17-0086-17-OR01	\$2,000.00	\$2,000.00			Investor Education	Engaged in violations of the Securities Act	
9	9/21/2017	Regal Securities	S-14-0008-17-OR04	\$36,879.31	\$36,879.31			Investor Education	Failure to supervise its agents	
10		Totals		\$42,879.31	\$42,879.31	\$0.00	\$0.00			