

ALC – Occupational Licensing Review Subcommittee
Occupational Entity Questionnaire

Responses to the following questions are due via email to Subcommittee staff no later than the 15th of the month immediately preceding the month the occupational authorization is scheduled for review by the Subcommittee.

1. Would consumers be at risk of substantial harm if Arkansas did not have this occupational authorization? What instances of specific and substantial harm have been documented in the past year?
Yes. Some recent examples of specific and substantial harm can be found in the Consent Orders and Cease and Desist orders linked below. In the Matter of [First Class Wealth Preservation and Joseph Valko, LLC](#). In the Matter of [True Bullion LLC DBA GSI Exchange LLC](#), In the Matter of [Metals.com](#), In the Matter of [MyCapitaltradeFX.com](#), In the Matter of [John C. Hamilton](#), In the Matter of [Andrew S. Lee](#), In the Matter of [Chastain Financial, LLC, and Carla Chastain](#), In the Matter of [Kuettel Capital, LLC and Adam J. Kuettel](#), and [Christoffer Groves](#).
2. How many complaints were made to the occupational entity by consumers being harmed by unauthorized practitioners? What specific action was taken by the occupational entity?
Examples of complaints made by consumers and actions taken by the Securities Department are hyperlinked above.
3. How many complaints were made to the occupational entity by consumers being harmed by authorized practitioners? What specific action was taken by the occupational entity?
Examples of complaints made by consumers and actions taken by the Securities Department are hyperlinked above.
4. Were any applicants who otherwise met authorization requirements denied an authorization in the past year? If so, why? **No denials were issued in the past year.**
5. How much does the occupational entity collect annually in fees, and what are annual expenses? How much money does the occupational entity have in reserves? **Based on FY'21 information, we collected a total of \$20,395,787.30. Of this amount, \$17,042,184.20 was allocated to general revenue. Our operating budget for FY'21 was \$3,548,953 and we spent \$3,169,955.72.**

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6. If the occupational entity has a positive amount in reserves, when was the last time reserve funds were used? For what purpose? **There are no reserve funds. Cash that is in excess of our annual budget is moved from our fund to general revenue on June 30th of each calendar year.**
7. Does the occupational entity have any other sources of revenue? Could occupational authorization fees be reduced without causing the occupational entity to be underfunded? **No other source of funding.**
8. How many applicants for the occupational authorization fail each year? Does the occupational entity track how many applicants that do not progress are veterans, women, or minorities? **Broker-Dealer Agents, Investment Adviser Representatives, and Agents of the Issuer have testing requirements set by federal regulations or by the Financial Industry Regulatory Authority (FINRA), the self-regulatory authority in the securities industry. To become registered, securities professionals must pass qualifying exams administered by FINRA to demonstrate their competence in the particular securities activities in which they will work. Mortgage Loan Officers have testing requirements set by Title V of Public Law 110-298, the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act). The SAFE Act prohibits individuals from engaging in the business of a residential Mortgage Loan Officers without first successfully passing a written qualified test.**
9. Can applicants complete the training requirements for this occupational authorization with vocational or non-traditional education (e.g., apprenticeships)? What percentage of applicants complete apprenticeships? **No. Zero.**
10. In what ways would removal of the occupational authorization or reduction of occupational authorization requirements be harmful to current authorization holders? **Regulation of the professional licenses of Investment Adviser Representatives, Broker-Dealer Agents, Agent of the Issuer, and Mortgage Loan Officer protect Arkansas citizens by enforcing standards that restrict practice to qualified individuals who have possess the minimum knowledge necessary to competently handle the financial assets of Arkansas citizens. This oversight prevents companies**

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**from taking undue financial risk, engaging in predatory lending, securities fraud,
and unauthorized trading in, or theft of assets and financial fraud.**