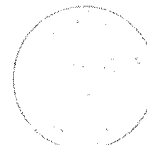




Arkansas Securities  
Department



Department of  
Commerce

To: Arkansas Legislative Council

Co-Chairs, Senator Terry Rice and Representative Jeff Wardlaw  
c/o Marty Garrity, Bureau of Legislative Research

From: Arkansas Securities Department

Re: Arkansas Securities Department Quarterly Report Pursuant to Act 52 of 2021

Date: October 5, 2022

During the 1st quarter of Fiscal Year 2023, the Arkansas Securities Department collected a total of \$204,179.24 assessed from orders. The total amount was deposited into 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](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 \$150,000.00 for each fiscal year. Securities Act fine money in excess of \$150,000.00 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 1st quarter, the Department awarded \$50,000 in grants and aid to Economics Arkansas to make the stock market game available to all public and private schools in Arkansas. In addition, the Department spent \$229.72 in operating expenses. The Investor Education Program made 7 presentations to approximately 410 persons during this quarter. These presentations focused on financial literacy, frauds and scams, and functions of the Arkansas Securities Department.

2nd Quarter Report for Legislative Council FY2020

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 investors	Activities Funded	Summary
8/15/2022	BlockFi Lending LLC	S-22-0012-22-OR01	\$943,396.22	\$188,679.24			Special Revenue	Consent Order regarding the sale of unregistered securities and an untrue statement of material fact made in connection with the sale of securities in Arkansas. The assessed fine will be paid in five installments with the first installment received in the 4th quarter of FY'22.
7/15/2022	MM East Washington LLC		\$500.00	\$500.00			Special Revenue	Late Filing Fee
9/15/2022	Daniel J. Lauletta	S-20-0046-22-OR02	\$10,000.00	\$10,000.00			Special Revenue	A Consent order revoking the broker-dealer agent registration of Daniel J. Lauletta, CRD No. 2659123, for violations of the Arkansas Securities Act and the Rules of the Arkansas Securities Commissioner related to unsuitable investment advice and violation of fiduciary duty.
9/15/2022	Sentinel & Smith	S-22-0017-OR01	\$5,000.00	\$5,000.00			Special Revenue	A Consent Order revoking the investment adviser registration of Sentinel Advisors, LLC (CRD No. 291606), and investment adviser representative registration of Adam C. Smith (CRD No. 4542903), for violations of the Arkansas Securities Act and Rules of the Arkansas Securities Commissioner for failures to disclose felony arrests and a resultant plea agreement in public disclosure documents filed with the Department.
	Totals		\$958,896.22	\$204,179.24				