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ARKANSAS SECURITIES DEPARTMENT

To: Legislative Council
Co-Chairs, Senator Cecile Bledsoe 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 167 of 2018
Date: January 14, 2019

During the second quarter of fiscal year 2020, the Arkansas Securities Department collected a total of \$35,500 in fines assessed from Orders. The total amount collected was deposited to special revenues, funding investor education activities. A listing of the orders 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 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 second quarter \$124,776.21 was spent from the Investor Education Fund. Expenditures include \$124,712.74 in grants to 27 schools and one educational non-profit, and \$63.47 fuel and maintenance for the state vehicle. The Investor Education program made 7 presentations to approximately 233 persons during this quarter. The programs included presentations on *What's Your Plan for Your Future* that were directed to pre-retirees, state employees and college students, and investing training/future planning for inmates in the Department of Corrections re-entry program.

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
1									
2									
3	12/19/2019	QVG, LLC	S-19-0073-19-OR01	\$8,000.00	\$8,000.00			Special Revenue	Consent order entered in connection with violations of the Arkansas Securities Act for unregistered investment adviser activity.
4	12/3/2019	Solium Financial Services, LLC	S-19-0054-19-OR01	\$5,000.00	\$5,000.00			Special Revenue	Consent order entered in connection with violations of the Arkansas Securities Act regarding unregistered activity.
5	11/20/2019	Christopher Schoefield Carlin and Alexander Capital, L.P.	S-19-0060-19-OR01	\$15,000.00	\$15,000.00			Special Revenue	Consent order entered in connection with violations of the Arkansas Securities Act and Rules of the Arkansas Securities Commissioner regarding unregistered activity.
6	10/10/2019; 11/13/2019; 12/10/2019	Wilshire-Pennington Group, Inc., Benjamin Daniel Kennedy III, and Benjamin Daniel Kennedy IV	S-17-0058-19-OR01	\$7,500.00	\$7,500.00			Special Revenue	Fine was paid in installments. Fine has been paid in full.
7		Totals		\$35,500.00	\$35,500.00				