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## ARKANSAS SECURITIES DEPARTMENT

To: Arkansas Legislative Council  
Co-Chairs, Senator Bill Sample and Representative David L. Branscum  
c/o Vicki Freeburn, Bureau of Legislative Research  
Fr: Arkansas Securities Department  
Re: Arkansas Securities Department Quarterly Report Pursuant to Act 269 of 2014  
Date: October 8, 2015

During the first quarter of fiscal year 2016, the Arkansas Securities Department collected a total of \$46,683.35 in fines assessed from Consent Orders that were 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. During this period, 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 go into the Investor Education Fund, until the balance reaches \$150,000. 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 \$1,351.47 in expenditures from the Investor Education Fund. Expenditures included \$735.75 for promotional items; \$163.86 for vehicle maintenance; \$124.72 for travel reimbursement; \$228.88 for office supplies; and \$98.26 for fuel for the state car. The Investor Education program made 15 presentations to approximately 462 persons throughout the state. The programs included presentations on Planning for Retirement that were directed to pre-retirees and state employees and training for teachers and school administrators about teaching investing basics.

1st Quarterly Report for Legislative Council FY2016

	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	Activities Funded	Summary	Rationale
2				Total	SIE0000	AGA0000	Restitution to			
3					Previously Fund		Arkansas investors			
					SDH0100					
4	7/10/2015	Citigroup Global Markets Inc.	S-15-0016-15-OR01	\$35,000.00	\$35,000.00			Investor Education	Consent Order	Multi-state settlement for failure to register sales assistants and failure to supervise.
5	8/6/2015	Restoration Robotics, Inc	S-15-0022-15-OR01	\$500.00	\$500.00			Investor Education	Consent Order	Late notice filing of Form D
6	8/6/2015	Jonathan Edward Rago	S-13-0137-15-OR01	\$500.00	\$500.00			Investor Education	Consent Order	Total fine of \$7,500 with 15 monthly payments of \$500.
7	8/10/2015	Bonanza Goldfield Corp.	S-13-0088-14-OR01	\$100.00	\$100.00			Investor Education	Consent Order	Late notice filing of Form D
8	8/10/2015	Salvatore Gioe	S-13-0112-15-OR04	\$694.45	\$694.45			Investor Education	Consent Order	Total fine of \$15,000. Initial check of \$10,000 was returned for insufficient funds. New payment schedule of initial payment of \$2,500 and monthly payments of \$694.45 amended by Order on April 1, 2015.
9	8/28/2015	Salvatore Gioe	S-13-0112-15-OR04	\$694.45	\$694.45			Investor Education	Consent Order	Total fine of \$15,000. Initial check of \$10,000 was returned for insufficient funds. New payment schedule of initial payment of \$2,500 and monthly payments of \$694.45 amended by Order on April 1, 2015.
10	8/28/2015	Allied Energy, Inc.	S-15-0013-15-OR02	\$7,500.00	\$2,500.00			Investor Education	Consent Order	Total fine of \$7,500 with 3 installments of \$2,500.
11	8/28/2015	Steele Stephens	60CV-15-3037	\$20,000.00	\$5,000.00			Investor Education	Judgment Order	Initial payment of \$5,000 with 4 quarterly installments of \$3,750.
12	8/28/2015	Curtis Lumber Company Inc.	S-15-0030-15-OR01	\$500.00	\$500.00			Investor Education	Consent Order	Late notice filing of Form D
13	9/1/2015	Jonathan Edward Rago	S-13-0137-15-OR01	\$500.00	\$500.00			Investor Education	Consent Order	Total fine of \$7,500 with 15 monthly payments of \$500.
14	9/28/2015	Salvatore Gioe	S-13-0112-15-OR04	\$694.45	\$694.45			Investor Education	Consent Order	Total fine of \$15,000. Initial check of \$10,000 was returned for insufficient funds. New payment schedule of initial payment of \$2,500 and monthly payments of \$694.45 amended by Order on April 1, 2015.
15										
16		Totals		\$66,683.35	\$46,683.35	\$0.00	\$0.00			