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ARKANSAS SECURITIES DEPARTMENT

To: Legislative Council
Co-Chairs, Senator Bill Sample and Representative David Branscum
c/o Kevin Anderson, Bureau of Legislative Research
Fr: Arkansas Securities Department
Re: Arkansas Securities Department Quarterly Report Pursuant to Act 52 of 2015
Date: July 1, 2016

During the fourth quarter of fiscal year 2016, the Arkansas Securities Department collected a total of \$27,097.74 in fines assessed from Consent Orders. Of the total amount of fines collected, \$27,097.74 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. During this time period, one investor was offered rescission in the amount of \$20,000. There were no settlements or agreements that directed payments to third parties other than the rescission offer. 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 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 fourth quarter there were \$338.48 in expenditures from the Investor Education Fund. The expenditures were for lodging and meals for staff and fuel for the state car. The Investor Education program made 5 presentations to approximately 406 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.

4th Quarter 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 Restitution to	Activities Funded	Summary	Rationale
2				Total	SIE0000	AGA0000	Arkansas investors			
3					Previously Fund SDH0100					
4	4/18/2016	Sagittarii Fund LLC	S-16-0021-16-OR01	\$1,000.00	\$1,000.00		\$20,000.00	Investor Education	Consent Order	Total fine of \$1000. Offered rescission to one Arkansas investor
5	4/26/2016	LPL Financial LLC	S-15-0038-16-OR01	\$19,347.74	\$19,347.74			Investor Education	Consent Order	Multi-state settlement for violations fo the Arkansas Securities Act.
6	5/27/2016	Steele Stephens	60CV-15-3037	\$3,750.00	\$3,750.00			Investor Education	Judgment Order	Initial payment of \$5000 with 4 quarterly installments of \$3,750.
7	6/3/2016	Cedars Financial, LLC	S-16-0051-16-OR01	\$1,000.00	\$1,000.00			Investor Education	Consent Order	Failed to make notice filing for Reg D offering
8	6/3/2016	Oklahoma Financial LLC	S-16-0050-16-CO01	\$1,000.00	\$1,000.00			Investor Education	Consent Order	Failed to make notice filing for Reg D offering
9	6/3/2016	Columbia Financial LLC	S-16-0049-16-CO01	\$1,000.00	\$1,000.00			Investor Education	Consent Order	Failed to make notice filing for Reg D offering
10										
11										
12		Totals		\$27,097.74	\$27,097.74	\$0.00	\$20,000.00			