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## ARKANSAS SECURITIES DEPARTMENT

To: Joint Budget Committee  
Co-Chairs, Senator Larry Teague and Representative Lane Jean  
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: April 14, 2016

During the third quarter of fiscal year 2016, the Arkansas Securities Department collected a total of \$68,713.90 in fines assessed from Consent Orders. Of the total amount of fines collected, \$16,313.90 was deposited to Special Revenue, Fund SIE0000, and \$52,400 was deposited to General Revenue. 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 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 \$80.03 in expenditures from the Investor Education Fund. The expenditures were for fuel for the state car. The Investor Education program made 14 presentations to approximately 249 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.

3rd Quarter Report for Legislative Council FY2016

A	B	C	D	E	F	G	H	I	J
Date	Name of Order	Order Number	Amount of Funds Total	Funds Received by SIE0000 Previous Fund SDH0100	Funds Received by AGA0000	Rescission Offer or Restitution to Arkansas Investors	Activities Funded	Summary	Rationale
1									
2									
3									
4	1/19/2016 Salvatore Gioe	S-13-0112-15-OR04	\$675.00	\$675.00			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.
5	1/19/2016 David Andrew Lukas	S-15-0045-15-OR01	\$5,000.00	\$5,000.00			Investor Education	Consent Order	Total fine of \$5,000 paid in full.
6	1/29/2016 Prospect Mortgage	C-15-0046-15-OR01	\$2,400.00		\$2,400.00		General Revenue	Consent Order	Multistate settlement for violations of RESPA. Prospect is required to make restitution to all Arkansas consumers within 90 days. Civil penalty due to the General Fund on January 31, 2016.
7	2/3/2016 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.
8	2/19/2016 Steele Stephens Business Development Corporation of America	60CV-15-3037	\$3,750.00	\$3,750.00			Investor Education	Judgment Order	Initial payment of \$5000 with 4 quarterly installments of \$3,750.
9	2/23/2016 Milestone Insurance Services, LLC; Phillip A McNulty	S-16-0012-16-OR01	\$2,000.00	\$2,000.00			Investor Education	Consent Order	Total fine of \$2,000 paid in full.
10	2/23/2016 IberiaBank Mortgage Company	S-15-0018-16-OR02	\$1,500.00	\$1,500.00			Investor Education	Consent Order	Total fine of \$1,500 paid in full.
11	2/26/2016 IberiaBank Mortgage Company	C-15-0057-16-OR01	\$50,000.00		\$50,000.00		General Revenue	Consent Order	Civil Penalty of \$50,000 paid in full for unlicensed activity.
12	3/7/2016 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.
13	3/25/2016 Blue Mountain CAIS and Blue Mountain Credit Alternatives Fund	S-16-0023-16-CO01; S-1600024-16-CO01	\$2,000.00	\$2,000.00			Investor Education	Consent Order	Late filing of Form D
14									
15									
16	Totals		\$68,713.90	\$16,313.90	\$52,400.00	\$0.00			