



Arkansas Securities
Department



HUGH McDONALD
SECRETARY OF COMMERCE

SUSANNAH MARSHALL
COMMISSIONER
ARKANSAS SECURITIES DEPARTMENT

H.5(c)

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 281 of 2023.

Date: June 30, 2024

During the 4th quarter of Fiscal Year 2024, the Arkansas Securities Department collected a total of \$75,500.00 assessed from orders. Of the total, \$75,500.00 was deposited into the State General Revenue 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 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 4th quarter of Fiscal Year 2024, the Department spent \$4,820.32 on operating expenses and \$12,656.73 on promotional items from the Investor Education Fund. The Investor Education Program made 17 presentations to approximately 946 persons during this quarter. These presentations focused on financial literacy, saving for retirement, and functions of the Arkansas Securities Department. Throughout the 4th quarter, the Investor Education Program continued its partnership with Economics Arkansas to host a program for the Stock Market Program. This program is designed to instruct the students and teachers on matters of financial literacy.

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
4/2/2024	Clarified, Inc. D/B/A Tumble	S-24-0002-24-OR01	\$ 500.00		\$ 500.00		General Revenue	Clarified is a corporation organized and operating under the laws of the State of Delaware with its principal place of business in San Francisco, California. Clarified is not registered with the Arkansas Securities Department ("Department") in any capacity. On November 15, 2023, Clarified made an exemption filing pursuant to Ark. Code Ann. § 23-42-504(a)(9) with the Department. On December 15, 2023, Clarified informed the Staff that 5,767 shares of its Series Seed-4 Preferred Stock were sold to an Arkansas investor ("ARI") on November 15, 2023. Clarified has fully cooperated with the Staff during the Staffs review of this matter. Clarified violated Ark. Code Ann. § 23-42-504(6)(1) by failing to file a proof of exemption under Ark. Code Ann. § 23-42-504(a)(9) and Rule 504(a)(9)(A) prior to executing its transaction with ARI. Clarified violated Ark. Code Ann. § 23-42-501 by selling 5,767 shares of its Series Seed-4 Preferred Stock to ARI before it was exempted under Ark. Code Ann. § 23-42-504(a)(9). In settlement of this matter Clarified agrees to pay a fine in the amount of \$500.00.
6/25/2024	Payward Ventures, Inc D/B/A Kraken	C-24-0013-24-OR01	\$ 75,000.00		\$ 75,000.00		General Revenue	PVI is a corporation formed under the laws of Delaware and based in San Francisco, California. On November 18, 2022, the Arkansas Securities Department ("Department") issued PVI an Arkansas money transmitter license. PVI sought a renewal of its license for 2024, but for reasons outside of PVI's control, not all necessary information for renewal was provided; therefore, PVI's Arkansas money transmitter license was not renewed and expired on December 31, 2023. Beginning January 1, 2024, without an Arkansas money transmitter license, PVI continued to provide money transmission services to Arkansas consumers. PVI provided the Staff with a transition plan to transfer the operation of its business as a money transmitter in Arkansas to another entity that holds a license under the AMSA, and the Staff has approved the transition plan provided by PVI. PVI, by providing money transmission services to Arkansas consumers in 2024 without an Arkansas money transmitter license, failed to comply with Arkansas Code Annotated section 23-55-201 (a). PVI shall pay a fine of seventy-five thousand dollars (\$75,000) to the Department within ten days of the effective date of this Order.
Totals			\$75,500.00	\$0.00	\$75,500.00			