

ASA HUTCHINSON  
GOVERNOR

B. EDMOND WATERS  
COMMISSIONER



HERITAGE WEST BUILDING, SUITE 300  
201 EAST MARKHAM STREET  
LITTLE ROCK, ARKANSAS 72201-1692  
TELEPHONE: (501) 324-9260  
FACSIMILE: (501) 324-9268

## 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: January 12, 2017

During the second quarter of fiscal year 2017, the Arkansas Securities Department collected a total of \$82,750.00 in fines assessed from Orders. \$31,000 was deposited to Special Revenue, Fund SIE0000, and \$51,750 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. 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. Fines collected pursuant to the Money Services Act are designated as general revenues.

During the second quarter there were \$70,120.36 in expenditures from the Investor Education Fund. Expenditures include \$37.96 for fuel for the state car, \$130.10 for travel related expenses, and \$69,952.30 for grants to one non-profit organization and eighteen public schools to purchase appropriate educational, resource, software, and equipment to provide securities and investment education to teachers and students in grades five through twelve. The Investor Education program made 6 presentations to approximately 437 persons. The programs included presentations on Planning for Retirement that were directed to pre-retirees and state employees.

2nd Quarter Report for Legislative Council FY2017

A	B	C	D	E	F	G	H	I	J
Date	Name of Order	Order Number	Amount of Funds Total	Funds Received by SIE0000	Funds Received by AGA0000	Rescission Offer or Restitution to Arkansas Investors	Activities Funded	Summary	Rationale
1									
2									
3									
4	10/13/2016 HRH Financial LLC	S-16-0070-16-OR01	\$1,000.00	\$1,000.00			Investor Education	Consent Order	Failure to have properly executed contracts with clients and failure to correct deficiencies from previous exams
5	10/20/2016 Akamatsu Fund McDonald Partners LLC, Cameron Glenn, and Katherine Knight	S-16-0086-16-OR01	\$1,000.00	\$1,000.00			Investor Education	Consent Order	Late filing for Reg D
6	10/24/2016 Knight	S-16-0046-16-OR01	\$25,000.00	\$25,000.00			Investor Education	Consent Order	Unregistered broker-dealer firm, branch, and agents
7	11/4/2016 Gridco, Inc.	S-16-0096-16-OR01	\$1,000.00	\$1,000.00			Investor Education	Consent Order	Late filing for Reg D
8	11/7/2016 Madison Fund VI, LLC	S-16-0093-16-OR01	\$1,000.00	\$1,000.00			Investor Education	Consent Order	Late filing for Reg D
9	11/8/2016 VisionQuest Capital LLC	S-16-0102-16-OR01	\$1,000.00	\$1,000.00			Investor Education	Consent Order	Late filing for Reg D
10	11/10/2016 Regent Customer Care LLC	C-16-0072-16-OR01	\$9,950.00		\$9,950.00		General Revenue	Consent Order	Unlicensed money services activity
11	11/21/2016 Vision Technologies, Inc. Lipsky & Associates, Inc. dba Equity Plus	S-11-0993-13-OR02	\$1,000.00	\$1,000.00			Investor Education	Consent Order	Unregistered securities and unregistered agent
12	12/29/2016	C-16-0080-16-OR01	\$41,800.00		\$41,800.00		General Revenue	Consent Order	Unlicensed money services activity
13									
14	Totals		\$82,750.00	\$31,000.00	\$51,750.00	\$0.00			