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ARKANSAS SECURITIES DEPARTMENT

To: Joint Budget Committee
Co-Chairs, Senator Jonathan Dismang and Representative Lane Jean
c/o Marty Garrity, Bureau of Legislative Research
Fr: Arkansas Securities Department
Re: Arkansas Securities Department Quarterly Report Pursuant to Act 68 of 2020
Date: January 19, 2021

During the second quarter of Fiscal Year 2021, the Arkansas Securities Department collected a total of \$68,881.00 assessed from Orders. \$64,956.00 was deposited to General Revenue. The remaining \$3,925.00 was deposited to special revenues, funding investor education activities. A list of the orders is provided on the attached spreadsheet. No settlements or agreements directed payments to a specific entity, however the Nationstar Order directed \$350,690.69 be paid to Arkansas customers. 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 for each fiscal year. Securities Act fine money in excess of \$150,000 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 second quarter \$117,805.55 was granted to public schools from the Investor Education Fund to fund educational activities centered on financial literacy. The Investor Education program made nine presentations to approximately 189 persons during this quarter. These presentations focused on Fraud and Coronavirus Scams. Regular presentations for seniors, retirement planning, and inmates at corrections facilities were cancelled or postponed due to the Covid-19 global pandemic.

Monetary Penalty Report 2nd Quarter FY2021

A	B	C	D	E	F	G	H	I
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 consumers	Activities Funded	Summary
1								
2								
3	12/07/2020	Nationstar Mortgage LLC, d/b/a Mr. Cooper	C-15-0024-20-OR01	\$14,956 in fines and \$50,000 in administrative costs	\$ 64,956.00	\$350,690.69	Investor Education	Settlement Agreement and Consent Order entered with Nationstar Mortgage LLC, d/b/a Mr. Cooper for allegations of misconduct related to Mr. Cooper's mortgage origination and servicing practices constituting a violation of the Fair Mortgage Lending Act and the Rules of the Fair Mortgage Lending Act. \$14,956.00 was received as part of the multistate settlement, the remaining \$50,000 was received as administrative costs.
4	11/05/2020	Sidney Eugene Banks	S-19-0066-20-OR01	\$3,425.00	\$3,425.00		Investor Education	Consent Order entered in connection with violations of the Rules of the Arkansas Securities Commissioner concerning the Respondent's failure to timely update and amend Form UA.
5	10/30/2020	JKV Access Fund, LLC	S-20-0048-20-OR01	\$500.00	\$500.00		Investor Education	Consent order entered against an issuer of securities exempt pursuant to Ark. Code Ann. §23-42-504(a)(13) and Rule 504.01(a)(13)(N) for a late filing with the Department.
6		Totals	\$68,881.00	\$3,925.00	\$64,956.00	\$350,690.69		