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ARKANSAS SECURITIES DEPT.

BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO. S-16-0058
ORDER NO. S-16-0058-16-OR01

IN THE MATTER OF:

GPB AUTOMOTIVE PORTFOLIO, LP.

RESPONDENT

CONSENT ORDER

This Consent Order is entered pursuant to the Arkansas Securities Act, codified at Ark. Code Ann. §§ 23-42-101 through 23-42-509 (“Act”), the Rules of the Arkansas Securities Commissioner (“Rules”) promulgated under the Act and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-16-201 through 25-16-303 in accordance with an agreement by and between the Staff of the Arkansas Securities Department (“Staff”) and GPB Automotive Portfolio, LP (“GPB Automotive”), in full and final settlement of all claims that could be brought against GPB Automotive by the Staff on the basis of the facts set forth herein. GPB Automotive admits the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”), waives its right to a formal hearing and consents to the entry of this order and agrees to abide by its terms.

GPB Automotive hereby accepts and consents to this Consent Order, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of the Department. The sanctions set forth as follows take into consideration the fact that GPB Automotive self-reported these violations and took remedial action.

FINDINGS OF FACT

1. On July 7, 2015, agents or employees of GPB Automotive made two sales of securities in the GPB Automotive securities offering to two Arkansas residents. On June 6, 2016, GPB Automotive filed a Notice of Sale of Securities on United States Securities and Exchange Commission ("SEC") Form D with the Arkansas Securities Department ("Department") for the GPB Automotive securities offering.

2. GPB Automotive fully cooperated with the Staff during the Staff's investigation of this matter.

APPLICABLE LAW

3. Ark. Code Ann. § 23-42-509(c)(1) and Rule 509.01(b)(2) state that with respect to any security that is a covered security under Section 18(b)(4)(E) of the Securities Act of 1933, the Commissioner, by rule or order, may require the issuer to file a notice on SEC Form D and a consent to service of process signed by the issuer no later than fifteen (15) days after the first sale of such covered security in this state.

CONCLUSIONS OF LAW

4. The Notice of Sale of Securities on SEC Form D filed by GPB Automotive with the Department nearly 11 months after the first sale of securities to two Arkansas residents, as detailed in paragraph one, was a violation of Ark. Code Ann. § 23-42-509(c)(1) and Rule 509.01(b)(2) of the Rules.

5. This Consent Order is not intended to indicate that GPB Automotive should be subject to any statutory disqualification set forth in (a) the federal securities laws or regulations promulgated thereunder, (b) the rules and regulations of any self-regulatory organizations, or (c) various states' securities laws, including any disqualifications from relying upon exemptions from

registration or associated safe harbor provisions. The Staff and the Commissioner confirm that disqualification under 17 C.F.R. Section 230.506(d)(1)(iii)(B) should not arise as a consequence of this Consent Order.

UNDERTAKING

In settlement of this matter GPB Automotive agrees to pay a fine in the amount of \$1,000.00.

ORDER

IT IS THEREFORE ORDERED that GPB Automotive pay a fine in the amount of \$1,000.00 to the Department within 10 days of the entry of this order.



B. Edmond Waters
Arkansas Securities Commissioner

7-22-16

Date

APPROVED AS TO FORM
AND CONTENT:



Jeffrey Schultz
Managing Director, Senior Counsel, and
Chief Compliance Officer of GPB Capital
Holdings, LLC, the general partner of the
Respondent, GPB Automotive

7/18/16

Date

APPROVED AS TO FORM
AND CONTENT:



Scott Freydl
Staff Attorney

7/22/16

Date