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FOR IMMEDIATE RELEASE

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ARKANSAS SECURITIES COMMISSIONER ISSUES CEASE AND DESIST ORDER AGAINST FORMER INSURANCE AGENT AND TWO LIMITED LIABILITY COMPANIES ORDERING STOP TO SALE OF UNREGISTERED SECURITIES AND SECURITIES FRAUD

Arkansas Securities Commissioner B. Edmond Waters (Commissioner) issued a cease and desist order yesterday, March 21, 2017, against **Timothy Alonza Lilly, BLW Debt Resolution, LLC (BLW) and Renu by BNT, LLC (RENU)** finding that the respondents offered securities not registered with the Arkansas Securities Department in accordance with the Arkansas Securities Act (Act) and engaged in securities fraud. The respondents are ordered to stop making offers of notes issued by both BLW and RENU and investment contracts issued by BLW. Factual findings span a period of time beginning in early 2010 and ending just recently. Lilly, representing both BLW and RENU, promised returns of varying amounts to 7 investors, collecting a total of about \$1.5 million. Of that amount, payments were made to some investors, but approximately \$1 million is still outstanding. All but one of the investors made investments in BLW, which was set up by Lilly and another individual as a business to collect delinquent debt as set out in the book, *Bailout Riches: How Everyday Investors Can Make a Fortune Buying Bad Loans for Pennies on the Dollar*, by Bill Bartman and Jonathan Rozek (John Wiley & Sons, Inc. 2009). All of the investors but one had been insurance clients of Lilly when he had an insurance license, which was revoked in 2009.

Violations of the Arkansas Securities Act include the sale of unregistered securities in all the notes sold and securities fraud committed in connection with the sale of these securities to six of the investors. Fraud was found in Lilly's failure to inform investors that their funds would be used in ways other than what they were told, including using funds for personal use and the use of funds to make payments to other investors. Fraud was also found in Lilly's failure to inform investors that some payments to them as returns on investment would be other investor's funds.

The Staff of the Arkansas Securities Department (Staff), who performed the investigation into this matter and requested the order, asked for \$320,000 in fines against Lilly, BLW and RENU. The order provides that a hearing will be set by separate order at which this request will be considered after the Staff presents its case.

Copies of the order can be obtained at the Arkansas Securities Department's website, listed below. Order No. S-14-0097-17-OR03, *In the Matter of Timothy Alonza Lilly, et al.*