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BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. S-16-0096

ORDER NO S-16-0096-16-OR01

ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:
GRIDCO, INC.

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 Gridco, Inc. (“Gridco”), in full and final settlement of all claims that could be brought against Gridco by the Staff on the basis of the facts set forth herein. Solely for the purposes of this Consent Order, Gridco admits the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”), neither admits nor denies the findings of fact, waives its right to a formal hearing, and consents to the entry of this order and agrees to abide by its terms.

FINDINGS OF FACT

1. On or about June 19, 2014, agents or employees of Gridco sold securities issued by Gridco to one Arkansas residents. On October 25, 2016, Gridco filed a Notice of Sale of Securities on United States Securities and Exchange Commission (“SEC”) Form D with the Arkansas Securities Department (“Department”) for Gridco securities offering.

2. Gridco 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 Gridco with the Department over 28 months after the first sale of securities to one 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.

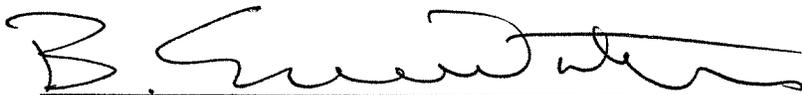
5. This Consent Order is not intended to indicate that Gridco should be subject to any statutory disqualification set forth in (a) the federal securities laws or regulations promulgated thereunder, (b) the rules and regulations of any self-regulatory organizations, or (c) various states' securities laws, 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 Gridco agrees to pay a fine in the amount of \$1,000.00.

ORDER

IT IS THEREFORE ORDERED that Gridco 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

11-4-16
Date

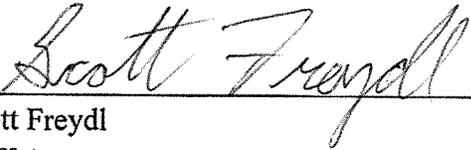
APPROVED AS TO FORM
AND CONTENT:



Naimish Patel, CEO of Gridco

10/26/16

Date



Scott Freydl
Staff Attorney

11/4/16

Date