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BEFORE THE ARKANSAS SECURITIES COMMISSIONER

ARKANSAS SECURITIES DEPT.

CASE NO. S-17-0119

ORDER NO. S-17-0119-18-OR01

IN THE MATTER OF:
7-HYBRID CULTIVATION LLC

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 7-Hybrid Cultivation LLC ("7-Hybrid"), in full and final settlement of all claims that could be brought against 7-Hybrid by the Staff on the basis of the facts set forth herein. Without admitting or denying the findings of fact detailed below, solely for the purposes of resolving this matter, 7-Hybrid 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.

FINDINGS OF FACT

1. 7-Hybrid is a corporation that is organized and operating under the laws of the State of Arkansas. 7-Hybrid has never been registered with the Arkansas Securities Department ("Department") in any capacity.

2. Edward Toney ("Toney") is a resident of the State of Arkansas. Toney has never been registered with the Arkansas Securities Department ("Department") in any capacity.

3. Dr. Mark Smith ("Smith") is a resident of the State of Arkansas. Smith is the chief medical officer of 7-Hybrid. Smith has never been registered with the Arkansas Securities Department ("Department") in any capacity.

4. Toney solicited and introduced one Arkansas resident to the officers of 7-Hybrid. Said Arkansas resident ultimately purchased securities issued by 7-Hybrid. As compensation for soliciting and introducing said Arkansas resident to the officers of 7-Hybrid, 7-Hybrid paid Toney a .5% interest in 7-Hybrid. 7-Hybrid valued said .5% interest at \$50,000.

5. Smith solicited and introduced three Arkansas residents to the other officers of 7-Hybrid. All three Arkansas residents ultimately purchased securities issued by 7-Hybrid. As compensation for soliciting and introducing said three residents to the other officers of 7-Hybrid, 7-Hybrid allowed Smith to purchase a .5% interest in 7-Hybrid at the discounted amount of \$30,000.

6. 7-Hybrid fully cooperated with the Staff during the Staff's investigation of this matter.

CONCLUSIONS OF LAW

7. Ark. Code Ann. § 23-42-301(b)(1) states that it is unlawful for a issuer to employ an unregistered agent except a nonresident agent who is registered by any other state securities administrator and who effects transaction in this state exclusively with registered broker-dealers. 7-Hybrid violated Ark. Code Ann. § 23-42-301(b)(1), as detailed in paragraphs four and five.

UNDERTAKING

In settlement of this matter 7-Hybrid shall pay a fine in the amount of \$2,000.00.

OPINION

This order is in the public interest. The facts as set out in paragraphs two through five support the violations of the Act as set out in paragraph seven.

ORDER

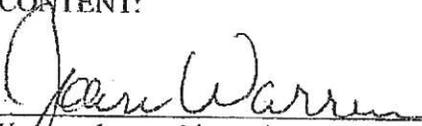
IT IS THEREFORE ORDERED that 7-Hybrid shall pay a fine in the amount of \$2,000.00 to the Department within 10 days of the entry of this order.



B. Edmond Waters
Arkansas Securities Commissioner

11-6-2018
Date

APPROVED AS TO FORM
AND CONTENT:



Joan Warren, the president of
7-Hybrid

Oct. 31-18
Date



C. Ryan O'Quinn, Attorney for the
Respondent 7-Hybrid

11-6-18
Date



Scott Freydl, Staff Attorney

11/6/18
Date