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**BEFORE THE ARKANSAS SECURITIES COMMISSIONER**

**CASE NO. S-17-0132**

**S-17-0132-18-OR01**

ARKANSAS SECURITIES DEPT.

**IN THE MATTER OF:  
WESLEYAN INVESTMENT FOUNDATION, 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 the Wesleyan Investment Foundation, Inc. ("Wesleyan Investment") in full and final settlement of all claims that could be brought against Wesleyan Investment by the Staff on the basis of the facts set forth herein.

Wesleyan Investment admits the jurisdiction of the Act and the Arkansas Securities Commissioner ("Commissioner"), waives its right to a formal hearing, and without admitting or denying the findings of facts made herein, consents to the entry of this order and agrees to abide by its terms.

**FINDINGS OF FACT**

1. Between 1973 and 2017 Wesleyan Investment sold securities in various securities offerings issued by Wesleyan Investment to residents of the State of Arkansas.
2. On or about July 13, 2017, the Department received a proof of exemption filing pursuant to Ark. Code Ann. § 23-42-503(a)(7) concerning Wesleyan Investment's current securities offering.

3. That between 1973 and 2017 the Wesleyan Investment had an Arkansas exemption available to cover the sale of securities or shares issued by Wesleyan Investment to residents of the State of Arkansas. However, during said time period Wesleyan Investment failed to make any proof of exemption filings or pay any filing fees as required by Ark. Code Ann. § 23-42-503(d).

4. Wesleyan Investment fully cooperated with the Staff during the Staff's investigation of this matter.

#### **APPLICABLE LAW**

5. Ark. Code Ann. § 23-42-501 states it is unlawful for any person to offer or sell any security in this state unless: (1) it is registered under this chapter; (2) the security or transaction is exempted under Ark. Code Ann. § 23-42-503 or Ark. Code Ann. §23-42-504; or (3) it is a covered security.

6. Ark. Code Ann. § 23-42-503(d) provides in part that: (1) Before any security may be issued as an exempted security under subdivision (a)(7) of this section, a proof of exemption must first be filed with the commissioner.

(4) Each offering shall be effective only for twelve (12) consecutive months.

(5) For every proof of exemption filed with the commissioner under subdivision (a)(7) of this section, there shall be paid to the commissioner a filing fee of five hundred dollars (\$500).

#### **CONCLUSIONS OF LAW**

7. Securities issued by Wesleyan Investment were sold to residents of the State of Arkansas by representatives of the Wesleyan Investment as detailed in paragraphs 1-3 in violation of Ark. Code Ann. §23-42-501.

**UNDERTAKING**

In settlement of this matter, without admitting or denying the findings of fact made above, but settling all claims that could be brought against Wesleyan Investment by the Staff based on the above stated findings of fact, Wesleyan Investment agrees to pay a fine in the amount of \$10,000.00. In addition, Wesleyan Investment agrees to not sell any further securities to Arkansas residents until said securities are registered or properly exempted

**OPINION**

This order is in the public interest. The facts as set out in paragraphs 1-3 support the violations of the Act as set out in paragraph 7.

**ORDER**

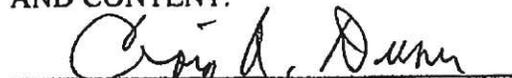
IT IS THEREFORE ORDERED that Wesleyan Investment pay a fine in the amount of \$10,000.00. In addition, Wesleyan Investment is ordered not to sell any further securities to Arkansas residents until said securities are registered or properly exempted.

WITNESS MY HAND AND SEAL on this 5<sup>th</sup> day of February, 2018.



B. Edmond Waters  
Arkansas Securities Commissioner

APPROVED AS TO FORM  
AND CONTENT:



Dr. Craig A. Dunn  
CEO of Wesleyan Investment

February 5, 2018  
Date



Regina M. Sharrow  
Attorney for the Issuer

February 5, 2018  
Date

Scott Freyd  
Scott Freyd  
Staff Attorney

2/5/18  
Date