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ARKANSAS SECURITIES DEPARTMENT

***** FOR IMMEDIATE RELEASE *****

Date: February 26, 2013
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ARKANSAS SECURITIES COMMISSIONER ORDERS HOT SPRINGS RESIDENT TO STOP VIOLATING SECURITIES LAWS

On February 25, 2013, Arkansas Securities Commissioner A. Heath Abshure issued a Cease and Desist Order ("Order") against R. D. Myers Development, Inc. ("Myers Development"), an Arkansas corporation based in Hot Springs; and Rodney Myers ("Myers"), a Hot Springs resident. The Order directed the Respondents to stop selling unregistered securities in Arkansas and to refrain from committing fraud or deceit in connection with the offer or sale of any securities in Arkansas.

Myers is a real estate developer who serves as the president and resident agent of Myers Development. The Order states that Myers induced an Arkansas investor to enter into a partnership agreement with Myers Development by representing that his company was in need of additional capital to finish construction on several housing units in a Hot Springs residential development. Under the terms of the partnership agreement, the Arkansas investor would invest \$50,000.00 with Myers Development, and, in exchange, Myers Development would pay the investor \$6,000.00 for each lot sold until a total of \$100,000.00 was paid on the initial investment. Myers Development also agreed to pay a 6 ½ percent return on the investment until such time as the \$100,000.00 return was paid in full.

The Order found the partnership agreement to be a security that was not properly registered or exempt from registration under the Arkansas Securities Act ("Act"). The Order also found that Myers Development and Myers were not registered to offer or sell securities under the Act. The Order further detailed serious omissions and misstatements of material facts made by Myers Development and Myers at the time of the sale. The Respondents failed to disclose Myers' adverse criminal history to the Arkansas investor prior to the investment. Also, the Order stated that the investor's money was not used for the represented purpose but, rather, was used by Myers to make cash withdrawals and cover payments on various loan obligations.

A copy of the order is available on the Arkansas Securities Department's website at www.securities.arkansas.gov, Order No. S-11-0394-13-OR03.