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

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COMMISSIONER ORDERS FORMER SPRINGDALE RESIDENT AND HIS COMPANIES TO STOP FRAUDULENT UNREGISTERED SECURITIES ACTIVITY

On Thursday, August 29, 2019, Arkansas Securities Commissioner B. Edmond Waters entered a Cease and Desist Order ("Order") against Adam B. Sharp ("Sharp"), a former Springdale resident, and his companies, Social Automotive Management Services, LLC and Social, Inc. 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.

The Order found that the Respondents sold unregistered securities and committed securities fraud when offering investments to investors located in Arkansas and throughout the country. Sharp and his companies successfully solicited at least 25 investors to invest a minimum of \$551,500.00 in his businesses. When soliciting investments, Sharp made unrealistic income projections for his companies and failed to disclose adverse, material information concerning his personal financial situation, including a recent home foreclosure and pending civil litigation that ultimately resulted in a judgment against him. To induce investment, Sharp and his companies promised large returns in a relatively short time period.

The Order states that Sharp told investors their money would be invested in his companies to generate returns. However, an examination of relevant financial records by the Staff of the Arkansas Securities Department revealed that Sharp converted a substantial amount of investor funds to his personal use. Sharp's personal use of funds included at least \$50,000.00 in ATM withdrawals and large transactions at bars, liquor stores, and various retailers.

A copy of the Cease and Desist Order is available on the Arkansas Securities Department's website at www.securities.arkansas.gov.