

RECEIVED

BEFORE THE ARKANSAS SECURITIES COMMISSIONER 16 FEB 23 AM 11:09

ARKANSAS SECURITIES DEPT.

**IN THE MATTER OF:
BUSINESS DEVELOPMENT CORPORATION
OF AMERICA**

**CASE NO. S-16-0012
ORDER NO. S-16-0012-16-OR01**

CONSENT ORDER

This Consent Order is entered pursuant to the Arkansas Securities Act ("Act"), codified at Ark. Code Aim. § 23-42-101 through § 23-42-509, the Rules of the Arkansas Securities Commissioner ("Rules") promulgated under the Act, and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. § 25-15-201 through § 25-15-219, in accordance with an agreement by and between the Staff of the Arkansas Securities Department ("Staff") and the Business Development Corporation of America ("Business Development Corporation") in full and final settlement of all claims that could be brought against the Business Development Corporation by the Staff on the basis of the facts set forth herein with respect to the distribution of shares of common stock of Business Development Corporation under a distribution reinvestment plan or "DRIP."

Business Development Corporation 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. The Business Development Corporation is a corporation organized and operating under the laws of the State of Maryland. The Business Development Corporation is not registered with the Arkansas Securities Department ("Department") in any capacity.

2. Effective July 1, 2014, Business Development Corporation closed its initial primary offering (the "Primary Offering") with the Securities and Exchange Commission ("SEC") (initially effective on January 25, 2011), and concurrently, the Issuer's Registration Statement on Form N-2 (File No. 333-193241) for its follow-on offering (the "Follow-on Offering") was declared effective with the SEC on July 1, 2014. The Follow-on Offering is effective with the SEC until July 1, 2016, but Business Development Corporation stopped accepting any new subscription agreements dated after April 30, 2015. From January 25, 2011 to present, Business Development Corporation has an effective Registration Statement with the SEC.

3. Between February 10, 2012 (initial date of effectiveness in Arkansas) and February 10, 2015¹, shares of common stock issued and sold by the Business Development Corporation were registered by coordination with the Arkansas Securities Department, including the registration of such shares issued under a DRIP (the "DRIP Shares"). No sales occurred in Arkansas prior to February 10, 2012 or after February 10, 2015.

4. The DRIP allows existing security holders the opportunity to participate in a plan that would automatically reinvest the full amount of any cash distribution in additional Business Development Corporation stock. Between February 11, 2015 and January 31, 2016, under the DRIP, the Business Development Corporation distributed DRIP Shares to Arkansas residents. All of these Arkansas residents already held shares of the Business Development Corporation and are deemed existing security holders of record of Business Development Corporation. No new security holders were admitted into Business Development Corporation since the closing of its Follow-on Offering on April 30, 2015.

5. During the time period of February 11, 2015 and January 31, 2016, the DRIP Shares

¹ Initial and renewal registrations in Arkansas effective for File No. 70001099: February 10, 2012-February 10, 2013, February 10, 2013 – February 10, 2014; February 10, 2014 – February 10, 2015.

distributed by the Business Development Corporation to Arkansas residents under the aforementioned DRIP were not registered with or properly exempted from registration by the Arkansas Securities Department.

6. The Business Development Corporation self-reported its distribution of unregistered, non-exempt DRIP Shares to the Staff. In addition, the Business Development Corporation has fully cooperated with the Staff during the Staff's review of this matter.

CONCLUSIONS OF LAW

7. 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. The distribution of unregistered, non-exempt securities by the Business Development Corporation to existing securities holders residing in Arkansas under its DRIP constitutes a violation of Ark. Code Ann. § 23-42-501 by the Business Development Corporation as detailed in paragraphs four and five.

UNDERTAKINGS

In settlement of this matter, but without admitting or denying the findings of fact made above, the Business Development Corporation agrees to pay a fine in the amount of \$2,000.

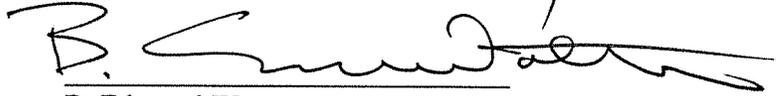
OPINION

This order is in the public interest. The facts as set out in paragraphs four and five support the violation of the Act and Rules as set out in paragraph seven. This order covers the period of DRIP Shares that were unregistered and/or non-exempt as set out in paragraph five.

ORDER

IT IS THEREFORE ORDERED that Business Development Corporation pay a fine in the amount of \$2,000 to the Department within 10 days of the entry of this order.

WITNESS MY HAND AND SEAL on this 23 day of FEBRUARY, 2016.



B. Edmond Waters
Arkansas Securities Commissioner

APPROVED AS TO FORM
AND CONTENT:



Corinne Pankovcin, CFO and Managing Director
Business Development Corporation of America

2/19/16
Date



Scott Freydl
Staff Attorney

2/23/16
Date