

**STATE OF ARKANSAS  
SECURITIES DEPARTMENT**

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**IN THE MATTER OF  
DEE POWELL, d/b/a  
EASY BAND TO BOW**

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**No. 02-026-S-02-CO01**

**CONSENT ORDER**

The Staff of the Arkansas Securities Department (the Staff) has received information and has in its possession certain evidence which indicates that Dee Powell, d/b/a Easy Band to Bow, has violated certain provisions of the Arkansas Securities Act (the Act), codified at Ark. Code Ann. §§ 23-42-101, *et seq.*

**FINDINGS OF FACT**

An ongoing investigation has revealed the following facts.

1. Easy Band to Bow is an unincorporated company whose principal manager is Dee Powell. The mailing address for Easy Band to Bow is Post Office Box 10823, Fort Smith, Arkansas 71917.
2. Ms. Powell developed a design for hair bows for infants while operating a children's store in Barling, Arkansas. She markets the baby bows in the name of Easy Band to Bow. Her marketing strategy is primarily targeted towards retail stores and the electronic media.

3. In order to facilitate the production and marketing of the product, Ms. Powell solicited investments from a number of individuals, many of them acquaintances of hers.
4. Ms. Powell successfully solicited approximately twenty-three (23) separate investors. A number of these investors resided in Arkansas, specifically in the Fort Smith area. There are also investors from the states of Oklahoma, Tennessee, South Carolina, Texas, and Georgia. The investments into the company range from as low as \$2,000.00 up to \$15,000.00.
5. Ms. Powell entered into the investment agreements during the period beginning in or about February 2001. The terms of the agreements were for a period of five (5) years. The investment agreements provided, *inter alia*, that the investor would receive a percentage of the "net sales earned" by the sale of the product in exchange for the investment. The agreements also provided that the investments were nonrefundable, that the investor would be paid three (3) times per year and that there was no guarantee that the sale of the product in the marketplace would be a success. The agreement provided that in the event that Easy Band to Bow should become an incorporated entity, that the investment would be converted to company stock.

6. During all pertinent times in which Dee Powell offered and sold the securities, the securities were not registered or exempt from registration under the terms of the Act.

#### **CONCLUSIONS OF LAW**

7. Ark. Code Ann. § 23-42-102(15)(A)(xi) in pertinent part defines a security as an investment contract.
8. Ark. Code Ann. § 23-42-501 provides that it is unlawful for any person to offer or sell any security which is not registered or which is not exempt from registration under the terms of the Act.

#### **OPINION**

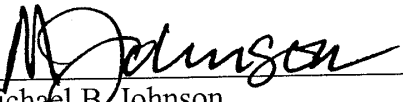
9. During the pertinent time periods, Dee Powell actively solicited investments from individuals located within and outside of Arkansas.
10. The investments solicited meet the definition of "security" pursuant to Ark. Code Ann. § 23-42-102(15)(A)(xi). Dee Powell unlawfully offered and sold these unregistered securities in violation of Ark. Code Ann. § 23-42-501.

#### **ORDER**

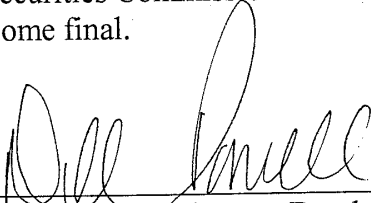
11. IT IS THEREFORE ORDERED and agreed that Dee Powell, d/b/a Easy Band to Bow shall **CEASE AND DESIST** forthwith from any further actions in the state of Arkansas in connection with the offer or


sale of the securities described above and any other securities until such time as the securities are properly registered or shown to be exempt from registration pursuant to the Arkansas Securities Act.

WITNESS MY HAND AND SEAL this 26<sup>th</sup> day of December, 2002.

  
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Michael B. Johnson  
ARKANSAS SECURITIES COMMISSIONER

I hereby consent to the entry of this order, and waive any rights I may have to a hearing before the Securities Commissioner. I recognize that this order, when entered, shall become final.

  
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Dee Powell d/b/a Easy Band to Bow

  
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Stanley M. Holleman, Attorney for Dee Powell

