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BEFORE THE ARKANSAS SECURITIES COMMISSIONER ARKANSAS SECURITIES DEPT.

CASE NO. S-19-0051

ORDER NO. S-19-0051-19-OR01

IN THE MATTER OF:

EDISON NATION, INC. f/k/a  
XSPAND PRODUCTS LAB, 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. §§ 25-19-201 through 25-19-303, in accordance with an agreement by and between the Staff of the Arkansas Securities Department and Edison Nation, Inc. f/k/a Xspand Products Lab, Inc. (“Edison Nation”), in full and final settlement of all claims that could be brought against Edison Nation by the Staff on the basis of the facts set forth herein. Edison Nation admits the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”), neither admits nor denies the findings of fact, waives its right to a formal hearing, consents to the entry of this order, and agrees to abide by its terms.

**FINDINGS OF FACT**

1. On or about April 27, 2018, agents or employees of Edison Nation sold securities issued by Edison Nation to one Arkansas resident on several occasions. On August 15, 2019, Edison Nation filed a notice on United States Securities and Exchange Commission (“SEC”) Form 1-A with the Arkansas Securities Department (“Department”) for the Edison Nation securities offering.
2. Edison Nation fully cooperated with the Staff during the Staff’s investigation of this matter.

APPLICABLE LAW

3. Ark. Code Ann. § 23-42-509(e)(1) states that except as provided under subsection (c) or (d) of this section, with respect to a covered security under section 18(b)(3) of the Securities Act of 1933, 15 U.S.C. § 77r(b)(3), as it existed on January 1, 2019, or section 18(b)(4) of the Securities Act of 1933, 15 U.S.C. § 77r(b)(4), as it existed on January 1, 2019, the commissioner may by rule or order require the issuer to: (A) Concurrently file with the commissioner any document or information required to be filed with the United States Securities and Exchange Commission; and (B) Pay a fee of one hundred dollars (\$100).

4. Rule 509.01(c) states that prior to the offer and sale of securities in this state in an offering exempt under Tier 2 of federal Regulation A the issuer shall submit to the commissioner a notice filing form or copies of all documents filed with the SEC, a consent to service of process on Form U-2 or the Regulation A – Tier 2 notice filing form, and a filing fee of \$100.

CONCLUSIONS OF LAW

5. The notice on SEC Form 1-A filed by Edison Nation with the Department over sixteen months after the sale of securities to one Arkansas resident, as detailed in paragraph one, was a violation of § 23-42-509(e) and Rule 509.01(c) of the Rules.

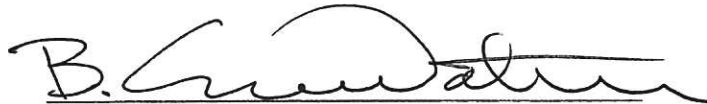
6. This Consent Order is not intended to indicate that Edison Nation should be subject to any statutory disqualification set forth in (a) the federal securities laws or regulations promulgated thereunder, (b) the rules and regulations of any self-regulatory organizations, or (c) various states' securities laws, including any disqualifications from relying upon exemptions from registration or associated safe harbor provisions. The Staff and the Commissioner confirm that disqualification under 17 C.F.R. Section 230.262 should not arise as a consequence of this Consent Order.

UNDERTAKING

In settlement of this matter Edison Nation agrees to pay a fine in the amount of \$1,000.00.

ORDER

IT IS THEREFORE ORDERED that Edison Nation pay a fine in the amount of \$1,000.00 to the Department within 10 days of the entry of this order.

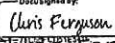


B. Edmond Waters  
Arkansas Securities Commissioner

8-15-19

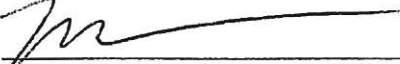
Date

APPROVED AS TO FORM  
AND CONTENT:

DocuSigned by:  
  
CHRIS Ferguson  
CEO of Edison Nation

8/13/2019

Date

  
Marc Adesso  
Attorney for the Respondent

8/13/2019

Date

  
Scott Freydl  
Staff Attorney

8/14/19

Date