

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS  
SIXTH DIVISION

A. HEATH ABSHURE,  
ARKANSAS SECURITIES COMMISSIONER

PLAINTIFF

vs.

Case No. CV 10-1659

RODNEY CALLAWAY, HERITAGE CORNER, LTD.,  
and HERITAGE FUNDING GROUP, INC.

FILED 09/29/11 09:34:54  
Larry Crane Pulaski Circuit Clerk  
MC DEFENDANTS

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INJUNCTION AND ORDER OF DISGORGEMENT

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On September 12, 2011, this matter came before the Court on the Complaint filed herein by the Plaintiff, and based upon the evidence and testimony of the parties and witnesses on their behalf, the Court does hereby find and order as follows:

1. Defendants Rodney Callaway, Heritage Corner, Ltd., and Heritage Funding Group, Inc. have violated Ark. Code Ann. § 23-42-301(a) by transacting business in the State of Arkansas as broker-dealers or agents without being registered do so under the Arkansas Securities Act and, thus, shall be enjoined from acting as securities broker-dealers or agents in this State unless and until the Defendants are properly registered under the Arkansas Securities Act or are acting pursuant to an exemption from registration under the Act.

2. Defendants Rodney Callaway, Heritage Corner, Ltd., and Heritage Funding Group, Inc. have violated Ark. Code Ann. § 23-42-501 by offering and selling unregistered securities in the State of Arkansas and thus shall be enjoined from offering or selling any security in this State unless and until the security is properly registered or is offered or sold pursuant to an exemption from registration under the Arkansas Securities Act.



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3. Defendants Rodney Callaway, Heritage Corner, Ltd., and Heritage Funding Group, Inc. made material misrepresentations to Sharon Carter, an Arkansas investor, in violation Ark. Code Ann. § 23-42-507(2), which states that it is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly, to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading. Defendants are thus enjoined from making untrue statements of material facts in connection with the offer, sale, and/or purchase of securities and from omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading, in connection with the offer or sale or purchase of securities in the State of Arkansas.

4. Defendants Rodney Callaway, Heritage Corner, Ltd., and Heritage Funding Group, Inc. engaged in acts, practices, or courses of business that operated as a fraud or deceit upon Sharon Carter, an Arkansas investor, in violation of Ark. Code Ann. § 23-42-507(3), which states that it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person. Defendants are thus enjoined from engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, in connection with the offer, sale, or purchase of securities in the State of Arkansas.

5. Defendants Rodney Callaway, Heritage Corner, Ltd., and Heritage Funding Group, Inc., or any one of them, shall pay disgorgement in the total amount of \$300,000.00 into the Registry of the Pulaski County Circuit Court within 30 days of the entry of this Order. Such

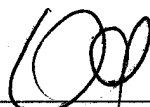
payment shall be: (a) made in bankable funds, i.e., by United States postal money order, certified check, bank cashier's check or bank money order; (b) made payable to the Pulaski County Circuit Clerk; (c) hand-delivered or mailed to the Pulaski County Clerk's Office, 401 West Markham Street, Room 122, Little Rock, Arkansas 72201; and (d) submitted under cover of a letter that denotes the file number of this case and identifies the payment as being made in accordance with this Order. A copy of the cover letter and money order or check shall be sent to A. Heath Abshire, Commissioner, Arkansas Securities Department, 201 East Markham, Suite 300, Little Rock, Arkansas 72201. Once received, these funds shall be distributed by the Pulaski County Circuit Clerk directly to Sharon Carter at the address of 911 NW 7<sup>th</sup> Street, Bentonville, AR 72712. Any funds received by Sharon Carter pursuant to this Order shall serve as a reduction of any monies owed by the Defendants to Sharon Carter by way of a civil judgment entered by the Circuit Court of Benton County, Arkansas in case number CIV-2010-2093-5. The Pulaski County Circuit Clerk is directed to furnish a copy of any check sent to Sharon Carter and a copy of this Order to the Benton County Circuit Clerk as proof of payment to be placed in the court file of case number CIV-2010-2093-5 so as to render effective any such reduction in the civil judgment amount.

6. Defendants Rodney Callaway, Heritage Corner, Ltd., and Heritage Funding Group, Inc., or any one of them, shall pay a civil money penalty in the total amount of \$10,000.00 to the Arkansas Securities Department within 30 days of the entry of this Order, as authorized by Ark. Code Ann. § 23-42-209(b). Such payment shall be: (a) made in bankable funds, i.e., by United States postal money order, certified check, bank cashier's check, or bank money order; (b) made payable to the Arkansas Securities Department; (c) hand-delivered or mailed to the Arkansas Securities Department, 201 East Markham, Suite 300, Little Rock,

Arkansas 72201; and (d) submitted under cover of a letter that denotes the file number of this case and identifies the payor as a defendant in these proceedings.

7. This Order shall be given preclusive effect in any bankruptcy case filed by or against Defendants. Solely for the purpose of such bankruptcy proceedings, this Order establishes all the elements necessary to enable a court to make a finding that it is non-dischargeable pursuant to 11 U.S.C. §§ 523(a)(4) and 523(a)(19).

IT IS SO ORDERED.



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TIMOTHY DAVIS FOX

Circuit Judge

Dated: 9/29/16

PREPARED BY:

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