

ASA HUTCHINSON
GOVERNOR

B. EDMOND WATERS
COMMISSIONER



HERITAGE WEST BUILDING, SUITE 300
201 EAST MARKHAM STREET
LITTLE ROCK, ARKANSAS 72201-1692
TELEPHONE: (501) 324-9260
FACSIMILE: (501) 324-9268

ARKANSAS SECURITIES DEPARTMENT

Theodore Holder
Direct Dial: 501/324-8678
Email: ted.holder@mail.state.ar.us

FOR IMMEDIATE RELEASE

Date: August 21, 2015
Contact Persons: Theodore Holder

ARKANSAS SECURITIES COMMISSIONER ISSUES CEASE AND DESIST ORDER STOPPING SALES OF UNREGISTERED SECURITIES

Arkansas Securities Commissioner B. Edmond Waters (Commissioner) issued a cease and desist order yesterday, ordering **Timothy Alonza Lilly and BLW Debt Resolution, LLC**, (BLW) to cease all activities in connection with the offer and sale of unregistered securities. The security involved here was an investment contract with BLW, an Arkansas limited liability company organized by Lilly, which was offered and sold by Lilly to an Arkansas resident identified in the order as AR. AR had been an insurance client of Lilly's when he had been an insurance agent. Lilly told AR that the business of BLW was to purchase and collect debt. AR's part in the business consisted only of making an investment and providing BLW capital. In return for AR's investment of \$59,500, Lilly promised on BLW's behalf to repay the amount invested plus 20% interest within two years. The joint venture agreement (JVA) provided that AR could realize a return of up to 80% after the two year period had expired.

Finding this investment to be a passive investment into a common enterprise with no effective control over the venture and all significant efforts to make a return on investment being Lilly's and BLW's, the the Commissioner found this investment to be an investment contract, a type of security. A check of the records at the Arkansas Securities Department and the United States Securities and Exchange Commission also showed that this security was not registered or exempt from registration. Accordingly, the Commissioner found that Lilly and BLW had offered and sold unregistered securities in violation of the Arkansas Securities Act (Act).

The Staff of the Arkansas Securities Department is directed to continue its investigation into this matter to determine what, if any, other violations of the Act or Rules of the Arkansas Securities Commissioner have occurred.

The public is advised that this is a continuing investigation. Should anyone have any further information about either of these respondents or any other related matter, please call Mr. Holder at the direct dial number listed above or at the 1-800 hotline number printed below.

Copies of the order are posted on the Arkansas Securities Department's website, listed below. Order No. S-14-0097-15-OR02, *In the Matter of Timothy Alonza Lilly and BLW Debt Resolution, LLC*.