

RECEIVED

16 OCT 20 AM 11:43

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. S-16-0086

ARKANSAS SECURITIES DEPT.

ORDER NO S-16-0086-16-OR01

IN THE MATTER OF:
AKAMATSU FUND

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. §§ 25-16-201 through 25-16-303 in accordance with an agreement by and between the Staff of the Arkansas Securities Department (“Staff”) and the Akamatsu Fund, in full and final settlement of all claims that could be brought against the Akamatsu Fund by the Staff on the basis of the facts set forth herein. The Akamatsu Fund admits the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”), admits the findings of fact, waives its right to a formal hearing, and consents to the entry of this order and agrees to abide by its terms.

FINDINGS OF FACT

1. On or about February 1, 2013, agents or employees of the Akamatsu Fund sold securities issued by the Akamatsu Fund to two Arkansas residents. On July 11, 2016, the Akamatsu Fund filed a Notice of Sale of Securities on United States Securities and Exchange Commission (“SEC”) Form D with the Arkansas Securities Department (“Department”) for the Akamatsu Fund securities offering.

2. The Akamatsu Fund fully cooperated with the Staff during the Staff's investigation of this matter.

APPLICABLE LAW

3. Ark. Code Ann. § 23-42-509(c)(1) and Rule 509.01(b)(2) state that with respect to any security that is a covered security under Section 18(b)(4)(E) of the Securities Act of 1933, the Commissioner, by rule or order, may require the issuer to file a notice on SEC Form D and a consent to service of process signed by the issuer no later than fifteen (15) days after the first sale of such covered security in this state.

CONCLUSIONS OF LAW

4. The Notice of Sale of Securities on SEC Form D filed by the Akamatsu Fund with the Department nearly 41 months after the first sale of securities to two Arkansas residents, as detailed in paragraph one, was a violation of Ark. Code Ann. § 23-42-509(c)(1) and Rule 509.01(b)(2) of the Rules.

5. This Consent Order is not intended to indicate that the Akamatsu Fund 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 230.506(d)(1)(iii)(B) should not arise as a consequence of this Consent Order.

UNDERTAKING

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

ORDER

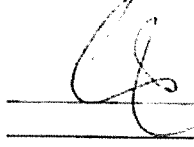
IT IS THEREFORE ORDERED that the Akamatsu Fund pay a fine in the amount of \$1,000.00 to the Department within 10 days of the entry of this order.



B. Edmond Waters
Arkansas Securities Commissioner

10-20-16
Date

APPROVED AS TO FORM
AND CONTENT:


CHRIS STURDES
Date October 17, 2016
CHIEF COMPLIANCE OFFICER

Akamatsu Fund CITY FINANCIAL INVESTMENT COMPANY LIMITED
DISCRETIONARY INVESTMENT MANAGER OF AKAMATSU FUND.
Pepper Hamilton, LLP by Irwin Latner, Partner
Irwin Latner
10/19/2016
Pepper Hamilton, LLP
Date
Attorney for the Respondent


Scott Freydl
Date 10/20/16
Staff Attorney