

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

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CASE NO. S-16-0068

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ORDER NO. S-16-0068-16-OR02

ARKANSAS SECURITIES DEPT.

**IN THE MATTER OF:
JEFFERY SMITH AND
FOUR CORNERS MANAGEMENT, LLC**

RESPONDENTS

CEASE AND DESIST ORDER

On August 15th, 2016, the staff of the Arkansas Securities Department (“Staff”) filed its Request for Cease and Desist Order stating that it has information and certain evidence that indicates Jeffery Smith (“Smith”) and Four Corners Management, LLC (“Four Corners”) have violated provisions of the Arkansas Securities Act (“Act”) codified at Ark. Code Ann. §§ 23-42-101 through 23-42-509. The Arkansas Securities Commissioner (“Commissioner”) has reviewed the Request for Cease and Desist Order, and based upon representations made therein, finds that:

FINDINGS OF FACT

1. The Request for Cease and Desist Order asserts the following representations of fact:
 - a. Four Corners is an Arkansas corporation with its principal place of business located at 5111 Rogers Avenue, Suite 541, Fort Smith, AR 72093. Four Corners has never been registered with the Arkansas Securities Department (“Department”) in any capacity pursuant to the Act.
 - b. Smith is a resident of Fort Smith, Arkansas. He is not registered in any capacity pursuant to the Act. According to records on file with the Arkansas Secretary of State, Smith serves as the Incorporator/Organizer and Registered Agent of Four Corners Management, LLC.

- c. Smith sold AR1, an Arkansas resident, an investment in AC1, an Arkansas company involved in solar energy. In November of 2015, AR1 gave Smith a check made payable to Four Corners to invest \$24,500 in AC1. AR1 also paid Smith \$837 for an “initial investment surety bond.” Smith represented to AR1 that his investment in AC1 would be used to establish AR1 in a “Provider” position in AC1. Smith also represented to AR1 that the investment would provide a 200% return by February 29, 2016.
- d. Smith and Four Corners were not authorized by AC1 to offer or sell any investment or investment surety bond on behalf of or in connection with AC1. Smith is not and has never been a shareholder, owner, officer, employee, or contractor of AC1.
- e. To date, AR1 has received no payments or returns on the investment he made with Smith and Four Corners.

CONCLUSIONS OF LAW

- 2. The facts set out above demonstrate that Smith and Four Corners purported to represent AC1 in effecting or attempting to effect the purchase or sale of a security to AR1. Therefore, Smith acted as an unregistered agent in violation of Ark. Code Ann. §23-42-301.
- 3. The security offered and sold by Smith and Four Corners was not registered with the Department, exempt from registration with the Department, or a covered security under federal law. Therefore, Smith and Four Corners violated Ark. Code Ann. §23-42-501 when they offered and sold a security to AR1.

4. Smith and Four Corners committed securities fraud in violation of Ark. Code Ann. §23-42-507 by selling an investment to AR1 in a company that had not authorized Smith and Four Corners to sell their securities. Smith's omission to inform AR1 that Smith was not authorized to sell investments in AC1 was an additional violation of Ark. Code Ann. §23-42-507. Smith further violated Ark. Code Ann. §23-42-507 by representing to AR1 that his investment in AC1 would be used to establish AR1 in a "Provider" position in AC1, and that the investment would provide a 200% return by February 29, 2016.

ORDER

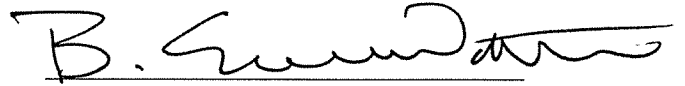
IT IS THEREFORE ORDERED that Jeffery Smith and Four Corners Management, LLC immediately CEASE AND DESIST from offering and/or selling securities to residents of the State of Arkansas until such time as the securities in question and the entities and persons offering and selling the securities are all properly registered under the Arkansas Securities Act; and that Jeffery Smith and Four Corners Management, LLC CEASE AND DESIST from committing fraud or deceit in connection with the offer or sale of any securities to residents of the State of Arkansas.

A hearing on this Order shall be held if requested by any Respondent in writing within thirty days of the date of the entry of this Order, or if otherwise ordered by the Arkansas Securities Commissioner. Such request should be addressed to the Commissioner and submitted to the following address:

Arkansas Securities Commissioner
201 East Markham, Suite 300
Little Rock, AR 72201

If no hearing is requested and none is ordered by the Commissioner, this Order will remain in effect until it is modified or vacated by the Commissioner. Ark. Code Ann. §23-42-209(a)(2)(B).

IT IS SO ORDERED.



B. Edmond Waters
Arkansas Securities Commissioner

8-15-16

Date