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REC'D - AR SECURITIES

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. S-24-0002

ORDER NO. S-24-0002-24-OR01

IN THE MATTER OF:

CLARIFIED, INC. D/B/A TUMBLE

RESPONDENT

CONSENT ORDER

This Consent Order is entered pursuant to the Arkansas Securities Act (“Act”), codified at Ark. Code Ann. §§ 23-42-101 through 23-42-509, the Rules of the Arkansas Securities Commissioner (“Rules”) promulgated under the Act, and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-101 through 25-15-221, in accordance with an agreement by and between the Staff of the Arkansas Securities Department (“Staff”) and Clarified, Inc. d/b/a Tumble (“Clarified”) in full and final settlement of all claims that could be brought against Clarified on the basis of the facts set forth herein.

Clarified admits the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”), waives its right to a formal hearing and appeal, and without admitting or denying the finding of facts made herein, consents to the entry of this order and agrees to abide by its terms.

FINDINGS OF FACT

1. Clarified is a corporation organized and operating under the laws of the State of Delaware with its principal place of business in San Francisco, California. Clarified is not registered with the Arkansas Securities Department (“Department”) in any capacity.

2. On November 15, 2023, Clarified made an exemption filing pursuant to Ark. Code Ann. § 23-42-504(a)(9) with the Department.

3. On December 15, 2023, Clarified informed the Staff that 5,767 shares of its Series Seed-4 Preferred Stock were sold to an Arkansas investor (“AR1”) on November 15, 2023.

4. Clarified has fully cooperated with the Staff during the Staff’s review of this matter.

CONCLUSIONS OF LAW

5. Any transaction pursuant to an offer and sale to not more than thirty-five (35) purchasers is exempted from the requirements found in Ark. Code Ann. §§ 23-42-501 and 23-42-502 if the seller reasonably believes that all the buyers are purchasing for investment purposes, and a commission or other remuneration is not paid or given directly or indirectly for soliciting any prospective buyer in Arkansas unless the person receiving any such commission or remuneration is registered under Ark. Code Ann. § 23-42-301. Ark. Code Ann. § 23-42-504(a)(9)(A).

6. Before any transaction shall be executed as an exempted transaction under Ark. Code Ann. § 23-42-504(a)(9), a seller must first file a proof of exemption with the Commissioner and the Commissioner by order shall not have disallowed the exemption within the next ten (10) full business days. Ark. Code Ann. § 23-42-504(b)(1).

7. “Proof of Exemption” as used in Ark. Code Ann. § 23-42-504(b) of the Act shall mean the filing made by an applicant, together with any supporting documents and written statements of the applicant as set forth in the appropriate Rule, whereby the applicant describes their expected conduct during the exemption process and demonstrates their disclosure and antifraud responsibilities required in order to qualify for the exemption. A proof of exemption is not in and of itself an exemption. It is merely the filing by which an applicant requests the Commissioner not to withdraw the availability of use of the exemption based on the applicant’s

demonstration of their recognition of the technical requirements necessary to qualify. Rule 102.01(34).

8. Ark. Code Ann. § 23-42-504(b)(2)-(4) and Rule 504(a)(9)(A) regarding Small Private Offerings set forth several necessary items in a proof of an exemption filing with the Commissioner under Ark. Code Ann. § 23-42-504(b)(1), where a seller claims an exemption under Ark. Code Ann. § 23-42-504(a)(9).

9. Pursuant to Ark. Code Ann. § 23-42-501, it is unlawful for any person to offer or sell any security in Arkansas unless it is registered under the Act, the security or transaction is exempted under the Act, or it is a covered security.

10. Clarified violated Ark. Code Ann. § 23-42-504(b)(1) by failing to file a proof of exemption under Ark. Code Ann. § 23-42-504(a)(9) and Rule 504(a)(9)(A) prior to executing its transaction with AR1.

11. Clarified violated Ark. Code Ann. § 23-42-501 by selling 5,767 shares of its Series Seed-4 Preferred Stock to AR1 before it was exempted under Ark. Code Ann. § 23-42-504(a)(9).

12. Clarified filed all necessary items for the exemption as set forth in Ark. Code Ann. § 23-42-504(b)(2)-(4) and Rule 504(a)(9)(A) on November 15, 2023.

UNDERTAKINGS

In settlement of this matter Clarified agrees to pay a fine in the amount of \$500.00.

OPINION

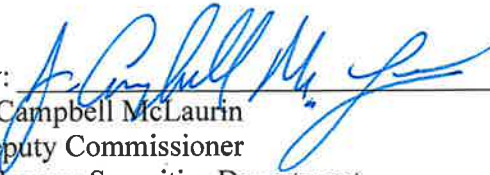
This Order is in the public interest. The facts as set out in paragraphs two through four support the violations of the Act and Rules as set out in paragraphs five through 12.

ORDER

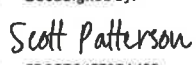
IT IS THEREFORE ORDERED that Clarified, Inc. d/b/a Tumble pay a fine in the amount of \$500.00 to the Department upon entry of this order.

WITNESS MY HAND this the 5th day of February, 2024.

SUSANNAH T. MARSHALL
ARKANSAS SECURITIES COMMISSIONER

By: 
J. Campbell McLaurin
Deputy Commissioner
Arkansas Securities Department
1 Commerce Way, Suite 402
Little Rock, Arkansas 72202

APPROVED AS TO FORM AND CONTENT:

DocuSigned by:

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Scott Patterson
Title: CEO
Clarified, Inc. d/b/a Tumble

February 2, 2024

Date



Ryan J. Little
Staff Attorney
Arkansas Securities Department

February 5, 2024

Date