



Arkansas Securities
Department



HUGH McDONALD
SECRETARY OF COMMERCE

SUSANNAH MARSHALL
COMMISSIONER
ARKANSAS SECURITIES DEPARTMENT

H.5(b)

To: Arkansas Legislative Council

Co-Chairs – Senator Ben Gilmore and Representative Les D. Eaves
c/o Marty Garrity, Bureau of Legislative Research

From: Arkansas Securities Department

Re: Arkansas Securities Department Quarterly Report Pursuant to Act 539 of 2025

Date: June 30, 2025

During the 4th quarter of Fiscal Year 2025, the Arkansas Securities Department collected a total of \$3,500.00 assessed from orders. Of the total, \$3,500.00 was deposited into General Revenue. A list of the orders is provided on the attached spreadsheet. No settlements or agreements directed payments to a specific entity. Copies of the orders are available on the Department's website at www.securities.arkansas.gov under the legal section.

Pursuant to the Arkansas Securities Act, fines paid for violations involving the Securities Act are deposited into the Investor Education Fund, until the total amount of fines collected reaches \$150,000.00 for each fiscal year. Securities Act fine money in excess of \$150,000.00 collected in any one year is designated as general revenues. All funds collected for violations of the Fair Mortgage Lending Act are directed to general revenue.

During the 4th quarter of Fiscal Year 2025, the Department spent \$3128.76 on operating expenses, \$4760.18 on promotional items, \$2,096.24 for grants, and \$6,032.58 of grant funds were returned to the Investor Education Fund. The Investor Education Program made 31 presentations to approximately 690 persons during this quarter. These presentations focused on financial literacy, saving for retirement, scams, fraud for the Elderly and functions of the Arkansas Securities Department. Throughout the 4th quarter, the Investor Education Program continued its partnership with Economics Arkansas to host a program for the Stock Market Game. This program is designed to instruct the students and teachers on matters of financial literacy.

Date	Name of Order	Order Number	Total Amount of Fines Assessed	Funds Received by SIE0000	Funds Received by AGA0000	Rescission Offer or Restitution to Arkansas investors	Activities Funded	Summary
5/27/2025	Naresh Patel	S-24-0022-25-OR02	\$ 3,500.00		\$ 3,500.00	\$ -	General Revenue	Patel, an Arkansas resident that owns and operates hotels in different states, including Arkansas, through his family's business, G&G Hospitality Group ("G&G Hospitality"). According to G&G Hospitality's public website, https://gghospitalitygroup.com/ ("Website"), Patel is the Chief Financial Officer and oversees the daily financial operations and investments at G&G Hospitality. Patel was affiliated with G&G Capital Management, LLC ("G&G Capital Management") (CRD# 299153) as a control person, the Chief Compliance Officer, and a direct owner. G&G Capital Management has been an active exempt reporting adviser in Texas since January 2019 and lists a mailing address in Little Rock, Arkansas. G&G Capital Management was terminated as a Texas limited liability company in March 2020. In June 2024, the staff received a referral from the U.S. Securities and Exchange Commission ("SEC") indicating that Patel may be engaging in unregistered investment activities through his company, Guaranteed Returns, LLC ("Guaranteed Returns"). After receiving the referral, the Staff opened an investigation and sought the financial records for both Patel and Guaranteed Returns. Patel, through his business Guaranteed Returns, acted as a broker-dealer under Ark. Code Ann. § 23-42-102(3)(A) by holding himself out as being able to take funds from ARs and use the funds to trade in options on their behalf, and then provide the ARs with guaranteed quarterly returns. In settlement of this matter, Patel agrees to pay a fine to the Department upon entry of this Order in the amount of \$3,500.00; to refund \$1,050,000.00 to the five ARs by December 31, 2025; and to provide the Department with proof of the repayment to each AR by that date. Patel will not apply for registration with the Department in any capacity for a period of five years from the date of the entry of this Order, including, but not limited to, as an investment adviser, investment adviser representative, broker-dealer, broker-dealer agent, or agent of an issuer. The fine of \$3,500.00 was paid in full.
		Totals	\$3,500.00	\$0.00	\$3,500.00	\$0.00	\$0.00	