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ARKANSAS SECURITIES DEPT.

BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO. S-16-0023 & S-16-0024
ORDER NO. S-16-0023-16-CO01 & S-16-0024-16-CO01

IN THE MATTER OF:
BLUEMOUNTAIN CAIS CA L.P. and
BLUE MOUNTAIN CREDIT ALTERNATIVES FUND L.P. RESPONDENTS

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"), BlueMountain CAIS CA L.P. and Blue Mountain Credit Alternatives Fund L.P. (together "Blue Mountain") in full and final settlement of all claims that could be brought against Blue Mountain and its affiliates by the Staff on the basis of the facts set forth herein. Blue Mountain admits the jurisdiction of the Act and the Arkansas Securities Commissioner ("Commissioner"), 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 June 1, 2013, agents or employees of Blue Mountain made one sale of securities in the Blue Mountain Credit Alternatives Fund L.P. offering to an Arkansas family trust. On December 1, 2015, Blue Mountain 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 Blue Mountain Credit Alternatives Fund L.P. offering.

2. On November 1, 2014, agents or employees of Blue Mountain made one sale of securities in the BlueMountain CAIS CA L.P. offering to an Arkansas family trust. On December 2, 2015, Blue Mountain filed a Notice of Sale of Securities on SEC Form D with the Department for the BlueMountain CAIS CA L.P. offering.

3. Blue Mountain fully cooperated with the Staff during the Staff's investigation of this matter.

APPLICABLE LAW

4. 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

5. The Notices of Sale of Securities on SEC Form D made by Blue Mountain for both of the above listed securities offerings between one and two and a half years after the sale of securities in the Blue Mountain offerings to the Arkansas family trusts as detailed in paragraphs one and two were violations of Ark. Code Ann. § 23-42-509(c)(1) and Rule 509.01(b)(2) of the Rules.

6. This Consent Order is not intended to indicate that BlueMountain 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 Blue Mountain agrees to pay a fine in the amount of $2,000.00.

ORDER

IT IS THEREFORE ORDERED that Blue Mountain pay a fine in the amount of $2,000.00 to the Department within 10 days of the entry of this order.

B. Edmond Waters
Arkansas Securities Commissioner

3-25-2016
Date

APPROVED AS TO FORM
AND CONTENT:

Peter Greene
Attorney for the Respondents

Date

Daysan Chang
Assistant General Counsel of Respondents Blue Mountain

Date

APPROVED AS TO FORM
AND CONTENT:

Scott Freydl
Staff Attorney

3/25/16
Date

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Scott Freydl
Staff Attorney

3/25/16
Date

_____
_____
_____ of Respondents Blue Mountain

_____
Date