

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. S-010-0052

IN THE MATTER OF:

ORDER NO. S-10-0052-10-OR01

LEXINGTON KEYSTONE FUND, LLC

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. §§ 25-15-201 through 25-15-219 in accordance with an agreement by and between the Staff of the Arkansas Securities Department (“Staff”) and Lexington Keystone Fund, LLC (“Lexington Keystone”) in full and final settlement of all claims that could be brought against Lexington Keystone by the Staff on the basis of the facts set forth herein.

Lexington Keystone 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

LATE NOTICE FILING

1. On or about December 1, 2006, agents or employees of Lexington Keystone made sales of securities in the Lexington Keystone offering to an Arkansas resident.
2. On or about February 11, 2010, Lexington Keystone filed a Notice of Sale of Securities on United States Securities and Exchange Commission (“SEC”) Form D with the Arkansas Securities Department (“Department”). As part of this notice filing the Department received a \$500.00 filing fee.
3. In violation of Ark. Code Ann. § 23-42-509(c)(1) and Rule 509.01(B)(2) of the Rules of the Arkansas Securities Commissioner, Lexington Keystone failed to file a Notice of Sale of

RECEIVED
10 JUL 30 AM 9:55
ARKANSAS SECURITIES DEPT.

Securities on SEC Form D with the Department concerning the sale of securities in Arkansas within the required fifteen days.

APPLICABLE LAW

4. Any security that is a covered security under Section 18(b)(4)(D) 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 days after the first sale of such covered security in this state. Ark. Code Ann. §23-42-509(c)(1) and Rule 509.01(B)(2)

CONCLUSIONS OF LAW

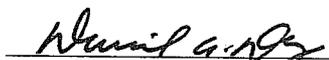
5. The Notice of Sale of Securities on SEC Form D made by Lexington Keystone approximately three years after the sale of securities in the Lexington Keystone offering to an Arkansas resident as detailed in paragraphs 1-3 was a violation of Ark. Code Ann. § 23-42-509(c)(1) and Rule 509.01(B)(2) of the Rules of the Arkansas Securities Commissioner.

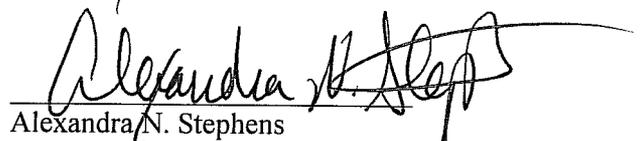
ORDER

IT IS THEREFORE ORDERED that Lexington Keystone pay a fine in the amount of \$1,000.00.


Heath Abshire
Arkansas Securities Commissioner

July 30, 2010
Date


David A. Day, Principal and Chief Operating
Officer of Lexington Keystone Fund, LLC


Alexandra N. Stephens
Staff Attorney