

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER**

**CASE NO. S-17-0001**

**ORDER NO. S-17-0001-17-OR01**

RECEIVED

17 JAN 27 PM 1:39

ARKANSAS SECURITIES DEPT.

**IN THE MATTER OF:**

**OVATION ALTERNATIVE INCOME FUND LP**

**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. §§ 25-16-201 through 25-16-303 in accordance with an agreement by and between the Staff of the Arkansas Securities Department (“Staff”) and Ovation Alternative Income Fund LP (“Ovation”), in full and final settlement of all claims that could be brought against Ovation by the Staff on the basis of the facts set forth herein. Ovation admits the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”), admits the findings of fact, waives its right to a formal hearing, consents to the entry of this order, and agrees to abide by its terms.

**FINDINGS OF FACT**

1. On or about August 1, 2015, agents or employees of Ovation sold securities issued by Ovation to one Arkansas resident. On December 6, 2016, the Ovation 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 Ovation securities offering.
2. Ovation fully cooperated with the Staff during the Staff’s investigation of this matter.

### APPLICABLE LAW

3. 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)(F) 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

4. The Notice of Sale of Securities on SEC Form D filed by Ovation with the Department over 16 months after the first sale of securities to one Arkansas resident, as detailed in paragraph one, was a violation of Ark. Code Ann. § 23-42-509(c)(1) and Rule 509.01(b)(2) of the Rules.

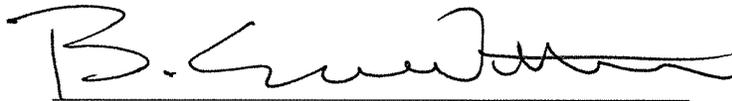
5. This Consent Order is not intended to indicate that Ovation should be subject to any statutory disqualification set forth in (a) the federal securities laws or regulations promulgated thereunder, (b) the rules and regulations of any self-regulatory organizations, or (c) various states' securities 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 Ovation agrees to pay a fine in the amount of \$1,000.00.

### ORDER

IT IS THEREFORE ORDERED that Ovation pay a fine in the amount of \$1,000.00 to the Department within 10 days of the entry of this order.

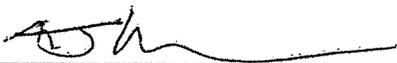


B. Edmond Waters  
Arkansas Securities Commissioner

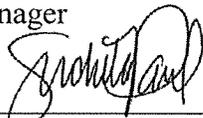
1-27-17  
Date

APPROVED AS TO FORM  
AND CONTENT:

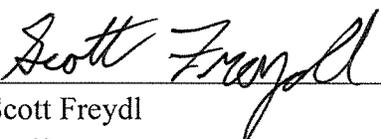
Ovation Alternative Income Fund LP  
By: Ovation Fund Management II LLC, its General Partner  
By: Ovation Management LLC, its Manager

  
\_\_\_\_\_  
Michael Rovner  
Manager

1/26/17  
Date

  
\_\_\_\_\_  
Suchitra Paul  
Attorney for the Respondent  
Locke Lord LLP

1/26/17  
Date

  
\_\_\_\_\_  
Scott Freydl  
Staff Attorney

1/27/17  
Date