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BEFORE THE ARKANSAS SECURITIES COMMISSIONER  
CASE NO. S-11-0315

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:

Order No. S-11-0315-12-OR01

THE INCOME 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 The Income Fund, LLC (“Fund”) in full and final settlement of all claims that could be brought against the Fund by the Staff on the basis of the facts set forth herein.

The Fund admits the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”), waives its right to a formal hearing, consents to the entry of this order, and agrees to abide by its terms. The Fund also agrees that entry of this order has no impact on its potential civil liability to Arkansas investors under Ark. Code Ann. § 23-42-106 for the violations detailed below.

**FINDINGS OF FACTS**

1. The Fund is a Wyoming limited liability company formed on June 11, 2009, with its principal place of business located at 970 W. Broadway #446, Jackson, Wyoming 83001.
2. Thomas Garlock is the managing member of the Fund and Teton Land and Development Group.

3. A search of the records of the Department shows that the Fund filed a Notice of Sales of Securities on United States Securities and Exchange Commission (“SEC”) Form D on August 31, 2010, for sales of membership interests in the company pursuant to Regulation D, codified at 17 C.F.R. §§ 230.501 through 230.508. There was one Arkansas investor for an amount of \$150,000.00. The date of first sale in Arkansas occurred on August 18, 2010.
4. No other registration or exemption was filed with the Department.
5. Teton Land and Development Group, managed by Garlock, has a website located at <http://www.tetonlanddevelopment.com> (“website”).
6. The website featured a section entitled “Members” that allows access to newsletters. The newsletters can be accessed without a password or user name and are available to the public via the internet. Several newsletters discuss The Fund.
7. Listed in the summer 2009 newsletter is a segment about The Fund. Readers are told to “[c]ontact our office for a copy of the Private Offering Memorandum.”
8. The Fund again is discussed in the summer 2010 newsletter. Readers are told to “[c]ontact us to learn more about a diversified and low-cost approach to real estate investing.
9. The Fund is discussed a third time in the fall 2010 newsletter, and readers are encouraged to contact the Teton Land and Development Group for a copy of the Private offering Memorandum.

#### **LEGAL AUTHORITY AND CONCLUSIONS OF LAW**

10. Ark. Code Ann. § 23-42-501 provides that it is unlawful for any person to offer or sell any security which is not registered or which is not exempt from registration under the

terms of the Act.

11. Ark. Code Ann. § 23-42-102(9) defines issuer as any person who issues or proposes to issue any security.
12. Pursuant to Rule 502(c) of Regulation D, neither the issuer nor any person acting on its behalf shall offer or sell the securities by any form of general solicitation.
13. Although insignificant deviations from Regulation D will not result in a loss of the exemption, Rule 508(A)(2) states that failure to comply with Rule 502(c) shall be deemed to be significant to the offering as a whole and therefore result in loss of the exemption.
14. The membership interests offered herein are securities pursuant to Ark. Code Ann. § 23-42-102(15)(A)(ii).
15. The facts set out above in paragraphs one through nine illustrate that The Fund offered unregistered securities in violation of Ark. Code Ann. § 23-42-501.
16. Entry of this order does not affect the potential civil liability to Arkansas investors under Ark. Code Ann. § 23-42-106.

### **ORDER**

The facts set out in paragraphs one through nine support the conclusions of law set out in paragraphs ten through sixteen. The Commissioner finds this Order necessary and appropriate in the public interest for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act. The Staff and the Fund are desirous of settling this matter as hereafter set forth and agree to the entry of this Order.

Based upon the foregoing, it is therefore ORDERED:

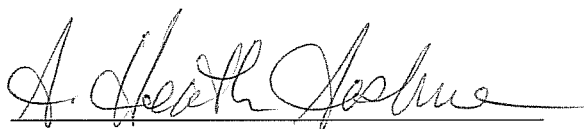
17. The Fund shall, within 10 days of the entry of this Order, pay a fine to the Department in the amount of \$1,000.00.

18. It is agreed that the Fund enters into this Consent Order freely and voluntarily and with a full understanding of its terms and significance.

19. It is further agreed that the Commissioner has jurisdiction to enter this Order.

20. In consideration of the foregoing, the Fund waives its rights to a hearing in this matter and to judicial review of this Order.

IT IS SO ORDERED.



A. Heath Abshure  
ARKANSAS SECURITIES COMMISSIONER


September 14, 2012  
Date

The Fund hereby agrees to the entry of this Consent Order, and consents to all terms, conditions, and orders contained therein, and waives any right to an appeal of this Order.

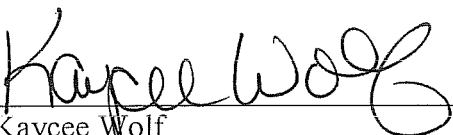
  
\_\_\_\_\_  
The Income Fund, LLC

July 20, 2012  
Date

Approved as to form by:

  
\_\_\_\_\_  
Kevin Keenan  
Attorney for Respondent

August 8, 2012  
Date

  
\_\_\_\_\_  
Kaycee Wolf  
Staff Attorney  
Arkansas Securities Department

September 14, 2012  
Date