

STATE OF NORTH DAKOTA
SECURITIES DEPARTMENT

In the Matter of RAHFCO Management)
Group, LLC,) **CONSENT ORDER**
Respondent.)

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The North Dakota Securities Commissioner has advised RAHFCO Management Group, LLC ("Respondent") that the Commissioner is prepared to commence formal action pursuant to Chapter 10-04 of the North Dakota Century Code (N.D.C.C.) and has determined as follows:

1. RAHFCO Growth Fund, LP (the "Fund") is a Delaware limited partnership organized to invest in a variety of securities. Its general partner, Respondent, is a Delaware limited liability company with its principal place of business at 3229 Nic Ann Court, Sioux Falls, South Dakota.
2. On February 19, 2008, Respondent filed with the North Dakota Securities Department a FORM D notice of its intent to offer for sale and sell limited partnership interests in the Fund to investors in the state of North Dakota under an exemption from registration known as Regulation D, Rule 506. These limited partnership interests are securities as defined in N.D.C.C. §10-04-02(19) and although exempt from registration themselves, may only be lawfully offered and sold in North Dakota by a broker-dealer and agent registered with the state in accordance with N.D.C.C. §10-04-10 or offered and sold by an officer, director, governor, or partner of the issuer with no commission or other remuneration being paid either directly or indirectly

3. On or about April 1, 2008, Respondent entered into an agreement with a North Dakota resident to offer for sale and sell limited partnership interests in the Fund and other securities to investors in the state of North Dakota in exchange for monetary compensation. This individual had thereby entered into an agreement to act as an agent for the issuer, Respondent, as defined in N.D.C.C. § 10-04-02(1).
4. Pursuant to that agreement, the North Dakota resident did act as Respondent's agent in North Dakota by offering for sale and selling limited partnership interests in the Fund and other securities to investors in the state of North Dakota (the "Transactions").
5. At the time of the Transactions, the North Dakota resident was not properly registered as an agent with the Securities Department under Chapter 10-04 of the North Dakota Century Code, and was not exempt from registration under N.D.C.C. § 10-04-10(2)(c) because he received monetary compensation from Respondent.
6. The Transactions were therefore made in violation of N.D.C.C. § 10-04-10(2).
7. Pursuant to N.D.C.C. § 10-04-16, when it shall appear to the Commissioner that any person has engaged in, or is engaging in, or is about to engage in any act or practice which is declared in violation of Chapter 10-04 of the North Dakota Century Code, the Securities Commissioner has the authority to Order that a person Cease and Desist from violations of the Securities Act, to rescind transactions made in violation of the Securities Act, and to

assess civil penalties in an amount not to exceed \$10,000 for each violation of the Securities Act. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against Respondent pursuant to N.D.C.C. § 10-04-16(1).

8. Respondent acknowledges its right to a hearing on this matter and waives this right to a hearing and to present arguments to the Commissioner.
9. Respondent agrees to resolve this matter with the Securities Commissioner by this Consent Order.
10. The following Order is necessary and appropriate in the public interest and for the protection of investors.

NOW, THEREFORE, IT IS ORDERED, pursuant to N.D.C.C. § 10-04-16(1), that Respondent shall immediately **CEASE AND DESIST**:

1. From offering for sale or selling securities, or effecting transactions in securities, in North Dakota except through a broker-dealer and agent registered with the state in accordance with N.D.C.C. §10-04-10 or properly exempted under N.D.C.C. Chapter 10-04.
2. From engaging in any violations of the North Dakota Securities Act, N.D.C.C. Ch. 10-04.

IT IS FURTHER ORDERED, that Respondent shall pay a civil penalty of \$14,000 to the North Dakota Securities Department based on the violations discussed above.

This Order shall be effective upon signature of the Commissioner.

IN TESTIMONY WHEREOF, witness my hand and seal this 15th day of

July, 2010.

(SEAL)



Karen J. Tyler, Securities Commissioner
North Dakota Securities Department
600 East Boulevard Ave.
State Capitol – Fifth Floor
Bismarck, ND 58505-0510
(701) 328-2910

STATE OF NORTH DAKOTA

SECURITIES DEPARTMENT

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Group, LLC,)
Respondent.)


**CONSENT TO
ENTRY OF ORDER**

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Based on mutual concessions and a willingness to resolve all matters discussed in the foregoing Consent Order, the above-named Respondent states that:

1. The Respondent has read the foregoing Consent Order and knows and fully understands its contents and effects.
2. The Respondent has been advised of its right to a hearing with regard to this matter, and has specifically waived its right to a hearing.
3. The foregoing Consent Order, which is attached hereto and incorporated herein by reference, constitutes the entire settlement agreement between the Respondent and the Securities Commissioner, there being no other promises or agreements, either expressed or implied.
4. The Respondent admits the jurisdiction of the Securities Department and the factual determinations and legal conclusions of the Commissioner, as set forth in the foregoing Consent Order, and consents to entry of this Order as settlement of the issues contained in said Order.
5. The Respondent consents to entry of the foregoing Consent Order by the Securities Commissioner, and does so willingly and voluntarily for the purpose of resolving the issues described in the foregoing Consent Order.

Dated this 30 day of June, 2010.

RAHFCO Management Group, LLC

By: 
Randal K. Hansen, Its President