

**STATE OF NEW HAMPSHIRE
BUREAU OF SECURITIES REGULATION
DEPARTMENT OF STATE
CONCORD, NEW HAMPSHIRE**

IN THE MATTER OF:)
)

Recycled Asphalt Shingle Technology, LLC)

RESPONDENT)
)
)
)
)

RECEIVED

I-2012000037

NOV 19 2013

NEW HAMPSHIRE BUREAU
OF SECURITIES REGULATION

CONSENT ORDER

- I. For purposes of settling the above-referenced matter and in lieu of further administrative proceedings, Recycled Asphalt Shingle Technology, LLC (hereinafter referred to as "RAS Tech"), has submitted an offer of settlement, which the Bureau of Securities Regulation, Department of State, State of New Hampshire (hereinafter referred to as "the Bureau") has determined to accept. Accordingly, RAS Tech does hereby consent to the following findings, conclusions, undertakings and sanctions:

The Facts

1. In January 2007, RAS Tech was organized as a limited liability company in Delaware.
2. According to RAS Tech's Form D, RAS Tech is focused on the "recycling of post-consumer residential asphalt shingles." RAS Tech's principal place of business is 50 Pine Road, Brentwood, New Hampshire, 03833.
3. For the purpose of this Consent Order there are four (4) relevant offerings of securities by RAS Tech in the State of New Hampshire. Each of these offerings are separately addressed below.

**Offering # 1: Issuance of Membership Units
to Founders Group (2007)**

4. On October 23, 2007, RAS Tech made the first sale of this offering to a New Hampshire resident. The New Hampshire resident to whom these securities were sold was an accredited investor.
5. During this offering, RAS Tech made sales to fifteen (15) accredited investors, ten (10) of whom were residents of New Hampshire.

6. RAS Tech failed to submit a notice filing with the Bureau for this initial offering as required by Section 18(b)(4)(D) of the Securities Act of 1933 and Section 421-B:11, I-a(e) of the New Hampshire Uniform Securities Act.

Offering # 2: Private Equity Offering (2008)

7. On January 31, 2008, RAS Tech made the first sale of this equity offering to a New Hampshire resident.
8. Between January 31, 2008 and August 31, 2008, RAS Tech issued membership units to twelve (12) investors, eight (8) of whom were existing members and four (4) of whom were new investors. Of the four (4) new investors, three (3) were residents of New Hampshire.
9. RAS Tech failed to submit a notice filing with the Bureau for this initial offering as required by Section 18(b)(4)(D) of the Securities Act of 1933 and Section 421-B:11, I-a(e) of the New Hampshire Uniform Securities Act.

Offering # 3: Private Equity Offering (2009 to 2012)

10. Between September 1, 2009 and December 31, 2009, RAS Tech sold this offering to a total of seventeen (17) investors, sixteen (16) of whom were existing members and one (1) of whom was a new investor. The new investor was a resident of New Hampshire.
11. Between April 2010 and March 20, 2012, RAS Tech sold this offering to a total of twenty (20) investors, twelve (12) of whom were existing members and eight (8) of whom were new investors. Of the eight (8) new investors, five (5) were New Hampshire residents.
12. Between January 1, 2012 and March 31, 2012, RAS Tech sold this offering to a total of five (5) investors, two (2) of whom were new investors.
13. On September 10, 2010, RAS Tech submitted a notice filing to the Bureau pursuant to Section 18(b)(4)(D) of the Securities Act of 1933 and Section 421-B:11, I-a(e) of the New Hampshire Uniform Securities Act. This notice filing included a Notice of Sales of Securities Pursuant to Regulation D, a Uniform Consent to Services of Process, and a check for payment of the filing fee in the amount of \$500.
14. RAS Tech subsequently renewed its offering for 2011, 2012 and 2013, paying the required \$500 renewal fee for each renewal. This offering is currently properly notice filed through September 10, 2013.
15. Pursuant to Securities Act Rule 502(a), the offers and sales of securities described in Paragraphs 10 through 14 must be integrated into one Regulation D offering as the securities offered are of the same or similar class and all sales occurred within six

months of one another. Thus, the effective period for this offering is September 1, 2009 through present.

Offering # 4: Private Convertible Debt Offering (2011 to 2012)

16. Between August 23, 2011 and February 14, 2012, RAS Tech offered and sold convertible debt and warrants to a total of six (6) investors, two (2) of whom were new investors. Both new investors were residents of New Hampshire.
17. RAS Tech failed to properly notice file with the Bureau for this offering and sale of securities, as required by Section 18(b)(4)(D) of the Securities Act of 1933 and Section 421-B:11, I-a(e) of the New Hampshire Uniform Securities Act.

Issuer-Dealer Registration

18. On October 1, 2010, RAS Tech submitted a Form D, a U2, an Issuer-Dealer Notice Filing Application, and the \$625 filing fee to register as an issuer-dealer in the State of New Hampshire. RAS Tech's initial issuer-dealer license was issued on October 7, 2010 and was approved on October 29, 2010. RAS Tech subsequently renewed this license in 2011 and 2012. RAS Tech's issuer-dealer license is current and effective through December 31, 2013.
19. In October of 2012, RAS Tech independently notified the Bureau to what it believed to be possible violations of New Hampshire securities law. RAS Tech notified the Bureau that it had made, upon integration, four independent offerings of its securities within the State of New Hampshire that were not properly notice filed. Three of these offerings were never notice filed at all. Additionally, RAS Tech also informed the Bureau that it was not licensed as an issuer-dealer for the period between the first offering in 2007 and October of 2010, at which time RAS Tech applied for and obtained licensure as an issuer-dealer.

The Law

1. Pursuant to New Hampshire RSA 421-B:11, it is unlawful for any person to offer or sell any security in this state unless the security is registered pursuant to RSA 421-B, the security or transaction is exempt under RSA 421-B:17, or the security is a federally covered security for which the fee has been paid and documents have been filed as required by RSA 421-B:11, I-a. Respondent RAS Tech is subject to this provision.
2. Regulation D, Rule 502(a) states the following:

Offers and sales that are made more than six months before the start of a Regulation D offering or are made more than six months after completion of a Regulation D offering will not be considered part of that Regulation D offering, so long as during those six month periods there are no offers or sales of securities by or for the issuer that are of the same or a similar class

as those offered or sold under Regulation D, other than those offers or sales of securities under an employee benefit plan as defined in rule 405 under the Act (17 C.F.R. 230.405).

RAS Tech's offerings are subject to this provision as they are all Regulation D, Rule 506 offerings and must meet the requirements of Regulation D, Rule 502.

3. For its offerings, RAS Tech was required, pursuant to RSA 421-B:11, I-a(e), to notice file with the Bureau within fifteen (15) days of the first sale of each of its offerings in New Hampshire.
4. As of the date of this Consent Order, RAS Tech has failed to submit notice filings for Offerings # 1, # 2, and # 4 to the Bureau. More than five (5), four (4), and one (1) years, respectively, have elapsed between the first sale of each offering in the State of New Hampshire and the date at which RAS Tech voluntarily notified the Bureau of its violations of New Hampshire securities law.
5. With respect to Offering # 3, RAS Tech failed to properly and timely notice file. Due to the required integration of offerings, the first sale of Offering # 3 occurred in September 1, 2009, rather than October 7, 2010 as declared in the original filing. Therefore, RAS Tech notice filed more than one (1) year after the first sale in the state.
6. Pursuant to RSA 421-B:31, IV(b), any filing that is delinquent by more than one (1) year may be subject to the fines and penalties outlined in RSA 421-B:23, RSA 421-B:24, RSA 421-B:25, and RSA 421-B:26. RAS Tech and Offerings # 1, # 2, # 3, and # 4 are subject to this provision.
7. Pursuant to RSA 421-B:6, it is unlawful for any person to transact business in this state as an issuer-dealer or agent unless such person is licensed. RAS Tech is subject to this provision.
8. Pursuant to RSA 421-B:2, XII-a, an issuer-dealer means any person including a limited liability company where the interests of the beneficiaries are evidenced by a security, unincorporated organization, government, political subdivision of a government, or any other entity, having its principal office in this state, and issuing its own securities for sale directly to any member of the general public who is not a general partner, executive officer, manager, or director of the issuer.
9. RAS Tech first applied for an issuer-dealer license and an issuer-dealer agent license in 2010. However, RAS Tech first issued its securities to New Hampshire residents in 2007. Therefore, between October 23, 2007 and October 7, 2010, RAS Tech and its agent(s) were operating as unlicensed issuer-dealers or issuer-dealers agents in violation of RSA 421-B:6.

- II. In view of the foregoing, the Respondent agrees to the following undertakings and sanctions:
1. Respondent agrees that that they have voluntarily consented to the entry of this Order and represent and aver that no employee or representative of the Bureau has made any promise, representation or threat to induce their execution.
 2. Respondent agrees to waive their right to an administrative hearing and any appeal therein under this chapter.
 3. Respondent agrees that this Order is entered into for purpose of resolving only the matter as described herein. This Order shall have no collateral estoppel, res judicata or evidentiary effect in any other lawsuit, proceeding, or action, not described herein. Likewise, this Order shall not be construed to restrict the Bureau's right to initiate an administrative investigation or proceeding relative to conduct by Respondent which the Bureau has no knowledge at the time of the date of final entry of this Order.
 4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation in this Consent Order or create the impression that the Consent Order is without factual basis. Nothing in this provision affects Respondent's testimonial obligations or right to take legal positions in litigation in which the State of New Hampshire is not a party.
 5. Respondent agrees to cease and desist from further violations under this chapter pursuant to RSA 421-B:23.
 6. In reference to Offering # 1, Respondent has consented to submit payment to the State of New Hampshire for five (5) years of annual renewal notice filing fees at a cost of \$500 per year, pursuant to RSA 421-B:31, I-h, to bring this file up to date. The total cost to bring this file up to date is Two Thousand Five Hundred Dollars (\$2,500).
 7. In reference to Offering # 2, Respondent has consented to submit payment to the State of New Hampshire for four (4) years of annual renewal notice filing fees at a cost of \$500 per year, pursuant to RSA 421-B:31, I-h, to bring this file up to date. The total cost to bring this file up to date is Two Thousand Dollars (\$2,000).
 8. In reference to Offering # 3, Respondent has consented to submit payment to the State of New Hampshire for one (1) year of annual renewal notice filing fees at a cost of \$500 per year, pursuant to RSA 421-B:31, I-h, to update the date of first sale to 2008 rather than 2009. The total cost to bring this file up to date is Five Hundred Dollars (\$500).

9. In reference to Offering # 4, Respondent has consented to submit payment to the State of New Hampshire for the original notice filing fee at a cost of \$500, pursuant to RSA 421-B:31, I-h. The total cost is Five Hundred Dollars (\$500).
 10. Respondent has consented to pay issuer-dealer license fees at a cost of \$50 per year and issuer-dealer agent license fees at a cost of \$50 per year to cover the period between 2007 and 2010 for which RAS Tech was not licensed. The total cost to properly license RAS Tech and its agent as issuer-dealers is Three Hundred Dollars (\$300).
 11. Respondent has consented to pay a total administrative fine in the amount of Four Thousand Two Hundred Dollars (\$4,200) for failure to properly notice file and for operating as an unlicensed issuer-dealer from 2007 to 2010.
 12. Upon execution of this Order by RAS Tech, Respondent RAS Tech agrees to pay a total of Ten Thousand Dollars (\$10,000) to the State of New Hampshire, which will be applied to settlement of the above-captioned matter. Payment must be made by 1) business check, certified check, or postal money order; 2) made payable to the State of New Hampshire; and 3) mailed to the Bureau of Securities Regulation, Department of State, State House, Room 204, Concord, New Hampshire, 03301.
 13. Upon execution of this order by RAS Tech, Respondent shall submit to the Bureau notice filings, including a Form D and the date of the first sale for Offerings # 1, # 2, and # 4.
 14. Upon execution of this Order by RAS Tech, Respondent shall submit a revised Form D for Offering # 3 to indicate the integrated offerings described in Paragraphs 10 to 15 of Section I above.
 15. Upon execution of this Order by RAS Tech, Respondent shall promptly submit notice of termination for any or all of the offerings that have terminated prior to the date of this Consent Order pursuant to RSA 421-B:31, IV. These termination notices may be included in the original or revised notice filings for Offerings # 1 through # 4. Additionally, Respondent will submit a final sales report for any terminated offerings within 60 days of the termination date. This final sales report shall indicate the termination date, the total number and amount of sales in New Hampshire, and the total number and amount of sales in all jurisdictions. Failure to do so may result in the accrual of additional penalties, pursuant to RSA 421-B:31, IV-a.
- III. Based on the foregoing, the Bureau deems it appropriate and in the public interest to accept and enter into this Order. **THEREFORE, IT IS HEREBY ORDERED THAT:**

1. Respondent cease and desist from further violations of the act pursuant to RSA 421-B:23.
2. Respondent pay filing fees and administrative fines in the amount of (\$10,000) within 10 days of the execution of this order.
3. Respondent submit notice filings for Offerings # 1, # 2, and # 4, revise the Form D for Offering # 3, and otherwise satisfy the requirements of RSA 421-B, I-a(e) within 10 days of the execution of this order.
4. Respondent provide notice of termination within 10 days of the execution of this order and submit a final sales report within 60 days.
5. Respondent comply with the above-referenced undertakings.

Executed this 31 day of October, 2013.

Robert Zickell, CFO
on behalf of RAS Tech

(Please print name below:

Robert Zickell, CFO

Entered this 20th day of November 2013.

Barry Glennon
Barry Glennon, Director
N.H. Bureau of Securities Regulation