

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

IN THE MATTER OF:

**Johnston Capital Partners
Fund I, LP**

RESPONDENT

)
)
)
)
)
)
)

I-201-3000015

CONSENT ORDER

- I. For purpose of settling the above-referenced matter and in lieu of further administrative proceedings, Johnston Capital Partners Fund I, L.P. ("Johnston Capital"), has submitted an offer of settlement, which the Bureau of Securities Regulation, Department of State, State of New Hampshire (the "Bureau") has determined to accept. Accordingly, without admitting or denying the findings or conclusions contained herein, Johnston Capital does hereby consent to the entry of this Order and the following undertakings and sanctions:

The Facts

1. On April 11, 2002, Johnston Capital was organized as a limited partnership in Delaware.
2. According to Johnston Capital's Form D, Johnston Capital is a pooled investment fund that issues limited partnership interests (the "Interests"). Johnston Capital's principal place of business is c/o Johnston Asset Management Corp., One Landmark Square, 20th Floor, Stamford, CT, 06901.
3. On June 30, 2002, Johnston Capital made the first sale of its Interests to a New Hampshire resident (the "New Hampshire Investor"). The New Hampshire Investor to whom these Interests were sold was an accredited investor.
4. On December 31, 2003, the New Hampshire Investor purchased additional Interests.
5. The New Hampshire Investor has not purchased any additional Interests since December 31, 2003.

6. On July 1, 2010, Johnston Capital 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 (the "Notice Filing"). This Notice Filing included a Notice of Sales of Securities Pursuant to Regulation D and a check for payment of the filing fee in the amount of \$500.
7. At the time of the Notice Filing, Johnston Capital had already sold \$15,027,528 of its indefinite total offering to 27 investors, only one of whom was a New Hampshire Resident.
8. Since the Notice Filing, Johnston Capital has not sold any Interests to residents of New Hampshire.
9. Johnston Capital is not currently offering its Interests for sale in New Hampshire.

The Law

10. 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 exempted 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. Johnston Capital is subject to this section.
 11. Pursuant to RSA 421-B:11 I-a(e), a notice filing shall be submitted no later than 15 days after the first sale in the state of New Hampshire of covered securities under section 18(b)(4)(D) of the Securities Act of 1933. As Johnston Capital submitted its notice filing eight (8) years after the first sale of covered securities in the state, Johnston Capital is subject to an administrative fine.
 12. Johnston Capital 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 in New Hampshire. Johnston Capital filed its notice filing on July 1, 2010, more than eight (8) years after the first sales of covered securities in the State of New Hampshire.
 13. Pursuant to RSA 421-B:31, IV, 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.
- II. In view of the foregoing, Johnston Capital agrees to the following undertaking and sanctions:
1. Johnston Capital 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 execution.

2. Johnston Capital agrees to waive their right to an administrative hearing and any appeal therein under RSA 421-B.
3. Johnston Capital 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 Johnston Capital of which the Bureau has no knowledge at the time and date of final entry of this Order.
4. Johnston Capital 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 Johnston Capital's testimonial obligations or right to take legal positions in litigation in which the State of New Hampshire is not a party.
5. Johnston Capital agrees to cease and desist from further violations under this chapter pursuant to RSA 421-B:23.
6. Johnston Capital has consented to pay to the State of New Hampshire a late filing fee in the amount of Five Thousand Dollars (\$5,000).
7. Upon execution of this Order by Johnston Capital, Johnston Capital agrees to submit payment of the above total amount of Five Thousand Dollars (\$5,000) 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.
8. Upon execution of this order, Johnston Capital's notice filing will be effective through July 1, 2013. Within 10 days of the execution of this Order, Johnston Capital will either 1) terminate its offering pursuant to RSA 421-B:31 IV or 2) renew its offering through the payment of a \$500 filing fee; this renewal would be effective through July 1, 2014. If Johnston Capital chooses to terminate the above offering, Johnston Capital shall promptly submit notice of termination pursuant to RSA 421-B:31, IV. Additionally, Johnston Capital shall submit a final sales report for such terminated offering within 60 days of the termination date. Any 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 timely file this notice of termination or the final sales report 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. Johnston Capital cease and desist from further violations of the act pursuant to RSA 421-B:23.
2. Johnston Capital pay a late notice filing fee in the amount of Five Thousand Dollars (\$5,000) within 10 days of the execution of this order.
3. Johnston Capital renew or terminate the above offering within 10 days of the execution of this Order.
4. Johnston Capital comply with the above-referenced undertakings.

Executed this 2nd day of October ~~September~~, 2013.

Kathleen Keating
on behalf of Johnston Capital

(Please print name below:

Kathleen Keating

Entered this 16 day of October ~~September~~, 2013.

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