

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

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ACL Alternative Fund Limited)	I-2013000000
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RESPONDENT)	
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CONSENT ORDER

I. For purposes of settling the above-referenced matter and in lieu of further administrative proceedings, ACL Alternative Fund Limited (hereinafter referred to as "ACL"), 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, without admitting or denying the allegations and findings contained herein, ACL does hereby consent to the entry of this Consent Order and the following undertakings and sanctions:

The Facts

1. In January 2002, ACL was incorporated in the foreign jurisdiction of Bermuda.
2. According to ACL's website, ACL is "a multi-manager fund focused on managed futures and foreign exchange, offering daily liquidity and full transparency through a segregated managed account structure." ACL's principal place of business is Chancery Hall, 52 Reid Street, Hamilton, Bermuda.
3. On August 22, 2006, ACL made the first sale of its securities to a New Hampshire resident. The New Hampshire resident to whom these securities were sold was an accredited investor.
4. On August 30, 2006, ACL 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.

5. At the time of the notice filing, ACL's total offering was an estimated \$200,000,000 in equity, \$78,433,213 of which had already been sold to 112 accredited investors.
6. On August 15, 2007, ACL sent a renewal notice and the \$500 filing fee to the Bureau of Securities Regulation. ACL also submitted an amended Form D with the renewal notice.
7. Between August 22, 2006 and August 15, 2007, ACL sold an additional \$2,792,777 of redeemable shares to increase the total amount already sold to \$81,225,990 and increasing the total number of investors to 116.
8. On August 1, 2008, ACL sent a notice of termination and a final sales report in the form of a Form D to the Bureau as required under 421-B:31, IV(a).
9. The final sales report indicated that from August 22, 2006 to August 1, 2008 ACL made only one sale in the State of New Hampshire to a single New Hampshire resident. This New Hampshire investor redeemed his interest in 2008.
10. From August 15, 2007 to August 1, 2008, ACL sold an additional \$200 in redeemable shares and added one (1) new accredited investor.
11. On August 12, 2008, the Bureau acknowledged receipt of ACL's termination notice and final sales report in writing.
12. On November 7, 2012, ACL independently notified the Bureau to what it believed to be possible violations of New Hampshire securities law. After the 2008 termination, ACL made ten (10) subsequent sales of its securities and failed to report any of these sales to the Bureau. ACL made five (5) sales of its securities in 2010, four (4) in 2011, and one (1) in 2012. All sales were to non-retail, accredited investors who also owned investment assets exceeding \$2 million. According to ACL, only one (1) of these investors met the New Hampshire definition of an institutional investor.

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 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. Respondent ACL is subject to this section.
2. Although ACL had previously notice filed with the Bureau pursuant to RSA 421-B:11(e) of the New Hampshire Securities Act in 2006, ACL provided proper notice of termination on August 1, 2008 pursuant to RSA 421-B:31, IV.
3. During the offer and sale of ACL redeemable shares in the State of New Hampshire after August 1, 2008, as described in paragraph 12 above, ACL failed to notice file

with the Bureau pursuant to RSA 421-B:11, I-a(e) no later than fifteen (15) days after the first sale in this state.

4. Pursuant to RSA 421-B:11, I-a(e), ACL was required to notice file with the Bureau within fifteen (15) days of the first sale in New Hampshire after ACL's August 1, 2008 termination. ACL's notice filing regarding offers and sales in New Hampshire subsequent to ACL's August 1, 2008 termination occurred more than two (2) years after the first sale in New Hampshire.
5. 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.

II. In view of the foregoing, the Respondents agree to the following undertaking 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. Upon execution of this order by ACL, Respondent ACL's payment to the State of New Hampshire of an administrative fine in the amount of Five Thousand Dollars (\$5,000), which has already been received by the Bureau, will be applied to settlement of the above-captioned matter. Payment was made by 1) certified check; 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.

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 an administrative fine in the amount of (\$5,000) within 10 days of the execution of this order.
3. Respondent notice file and otherwise satisfy the requirements of RSA 421-B, I-a(e).
4. Respondent comply with the above-referenced undertakings.

Executed this 27th day of JUNE, 2013.



on behalf of ACL

(Please print name below:

ANDREW MELEADY

Entered this 19th day of July, 2013.



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