

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

IN THE MATTER OF:

St. John International University,  
Respondent

)  
) ORDER TO CEASE AND DESIST  
) ORDER TO SHOW CAUSE  
) COM2012-00010  
)

**NOTICE OF ORDER**

This Order commences an adjudicative proceeding under the provisions of RSA 421-B:26-a.

**LEGAL AUTHORITY AND JURISDICTION**

Pursuant to RSA 421-B:23, the Secretary of State has the authority to issue and cause to be served an order requiring any person appearing to him to be engaged or about to be engaged in any act or practice constituting a violation of RSA 421-B or any rule or order thereunder, to cease and desist from violations of RSA 421-B.

**Pursuant to RSA 421-B:24, I, any person who willfully violates a cease and desist order issued pursuant to RSA 421-B:23 shall be guilty of a class B felony.**

Pursuant to RSA 421-B:26, the Secretary of State has the authority to impose administrative penalties of up to \$2,500.00 for each violation of New Hampshire securities law and rules.

## **NOTICE OF RIGHT TO REQUEST A HEARING**

The above named respondent has the right to request a hearing on this order to cease and desist and order to show cause, as well as the right to be represented by counsel. Any such request for a hearing shall be in writing, shall be signed by the respondent, or by the duly authorized agent of the above named respondent, and shall be delivered either by hand or certified mail, return receipt requested, to the Bureau of Securities Regulation, Department of State, 25 Capitol Street, Concord, New Hampshire 03301.

Under the provisions of RSA 421-B:23, I, if respondent fails to request a hearing on this order within 30 calendar days of receipt of this order, respondents shall be deemed in default, and this order shall, on the thirty-first day, become permanent.

Upon request for a hearing being received by the Bureau of Securities Regulation, in the manner and form indicated above, a hearing shall be held not later than ten days after such request is received by the Bureau, after which hearing, the Secretary of State, or such other person authorized by statute, shall issue a further order vacating or modifying this order, or making it permanent, as the circumstances require.

## **STATEMENT OF ALLEGATIONS**

The allegations contained in the Staff Petition for Relief dated June 26, 2014 (a copy of which is attached hereto) are incorporated by reference hereto.

## ORDER

WHEREAS, finding it necessary and appropriate and in the public interest, and for the protection of investors and consistent with the intent and purposes of the New Hampshire securities laws, and

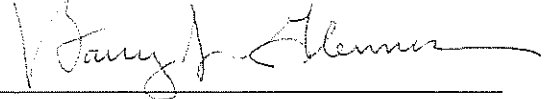
WHEREAS, finding that the allegations contained in the Staff Petition, if proved true and correct, form the legal basis of the relief requested,

It is hereby ORDERED, that:

1. The Respondent is hereby ordered to immediately cease and desist from the above indicated acts and from in any other way violating RSA 421-B;
2. The Respondent is hereby ordered to show cause why its issuer-dealer and issuer-dealer agent license should not be denied, suspended or revoked.
3. The Respondent shall, in accordance with RSA 421-B:26, III pay administrative fines of up to \$25,000.
4. Respondent shall pay the Bureau costs associated with this action up to \$5,000.
5. Respondent shall rescind the securities purchased by or sold to the investor identified in the Bureau's Petition, and pay restitution.
6. Respondent shall produce information pursuant to RSA 421-B:22 in the form of an undertaking to deliver documents required under Federal Regulation 230.502(b)(2).
7. Failure to request a hearing within 30 days of the date of receipt of this Order shall result in a default judgment being rendered, including imposition of fines and penalties upon the defaulting Respondent.

SIGNED,  
WILLIAM M. GARDNER  
Secretary of State  
By His Designee:

Dated: 6.26.14



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BARRY J. GLENNON  
Director, Bureau of Securities  
Regulation

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

	)	
	)	
<b>STAFF PETITION FOR RELIEF</b>	)	
<b>IN THE MATTER OF:</b>	)	
	)	
<b>St. John International University, Inc.</b>	)	COM2012-00010
	)	
	)	
<b>Respondents</b>	)	
	)	

**STATEMENT OF FACTS**

I. The Bureau of Securities Regulation, Department of State, State of New Hampshire (hereinafter referred to as "the Bureau"), hereby petitions the Director, and makes the following statements of fact:

1. St. John International University, Inc. (hereinafter "SJIU") is a post secondary educational institution located in Vinovo, Italy. SJIU was incorporated in New Hampshire in 2008. SJIU is registered as a New Hampshire issuer-dealer since June 2010 and has an office address listed at 35-A Pleasant Street, Concord, New Hampshire 03301. SJIU's authorized issuer-dealer agent is JoAnn Actis-Grande with a listed address of 35-A Pleasant Street, Concord, New Hampshire 03301 and PO Box 874 Portsmouth, New Hampshire 03802. JoAnn Actis-Grande has received commissions from SJIU for acting as an issuer-dealer agent for the sale of SJIU shares.
  
2. In June 2010, SJIU filed for and received its issuer-dealer license through the Bureau and at the same time filed a Federal Regulation 230.506 Form D with the Bureau indicating that an offer of equity shares in SJIU would be made to accredited investors of up to \$2,250,000. The Form D offering lists an address for SJIU of 35-A Pleasant Street, Concord, NH 03301. According to SJIU Articles of incorporation, SJIU is authorized to issue up to one million shares. The Regulation D offering has been continued until the present with approximately nine sales being made to seven investors totaling \$6,934,282.50 dollars of investment and 924,571 shares issued.

3. In 2012, the Bureau received a complaint from Investor #1 regarding SJIU. According to Investor #1, in November 2011, Investor #1 invested \$99,997.50 into SJIU for 13,333 shares. According to Investor #1, no offering documents, disclosure documents or financial information was delivered to him at the time of sale. According to Investor #1, after Investor #1 made his investment, he found out that SJIU was operating in a substantial deficit, had a going concern finding and he moved to rescind his investment by writing to officers of SJIU. Officers of SJIU stated to Investor #1 that SJIU accepted his investment and could not rescind it, but agreed in writing to return Investor #1 investment money in exchange for his shares. Despite this agreement, SJIU has not done so to date. Investor #1 asserts that he is not an accredited investor, that he never was, and that he should have been told about the SJIU deficit and going concern finding before he invested his money.
4. Federal Regulation 230.502(b)(2) requires that if the issuer offers and sells securities to an unaccredited investor, the issuer shall comply with the informational requirements contained in Rule 230.502(b)(2) prior to sale. Since SJIU's offering was greater than two million, but less than seven and one half million, SJIU must provide an offering document that satisfies the disclosure required in part II of Securities and Exchange Commission ("SEC") Form 1-A, and the financial information required in SEC Form S-1 which must be audited. Investor #1 contends that SJIU did not provide any financial information to him prior to the sale, and then when he found out about the deficit he moved to rescind his offer to buy in February 2012.
5. On June 12<sup>th</sup>, 2014, the Bureau wrote to SJIU and formally required SJIU to engage in an undertaking to supply the required information and disclosure to any future unaccredited investors and that SJIU comply by June 22<sup>nd</sup>, 2014. To date, SJIU has not responded other than to say that SJIU provides any information to potential investors at their request.
6. According to the Rules of Federal Regulation D, Rules 230.501 et. Seq., an issuer must comply with all conditions of the rule in order to be eligible for the safe harbor federal exemption. According to RSA 421-B:11, a security offered or sold by a New Hampshire issuer-dealer must be registered, exempt or properly notice filed. The SJIU offering is not registered and does not properly qualify for exemption or a Regulation D safe harbor.
7. According to RSA 421-B:17, the burden of establishing an exemption is on the person asserting it. SJIU has not established that they are compliant with Federal Regulation D and Rules 230.501 et. Seq.

## STATEMENTS OF LAW

II. The Bureau hereby petitions the Director and makes the following statements of law under the New Hampshire Revised Statutes Annotated, RSA 421-B, and regulations thereunder (hereinafter referred to as the Act):

1. SJIU is a "Person" within the meaning of RSA 421-B:2.
2. SJIU and is a New Hampshire "issuer-dealer" within the meaning of RSA 421-B:2.
3. JoAnne Actis-Grande is an issuer-dealer agent within the meaning of RSA 421-B:2.
4. The equity shares of SJIU are "securities" within the meaning of RSA 421-B:2.
5. The offer and distribution of the securities listed above constitute "sales" within the meaning of RSA 421-B:2.
6. Pursuant to RSA 421-B:3, it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly: to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading. SJIU is in violation of this section for not delivering the disclosure documents required by Federal Regulation 230.502(b)(2) which would have fully disclosed the details of the offering and SJIU's financial condition to Investor #1 including a going concern finding and substantial operating deficit.
7. Pursuant to RSA 421-B:10, the Bureau can Order that SJIU show cause why its issuer-dealer licensed and issuer-dealer agent license should not be suspended or revoked.
8. Pursuant to RSA 421-B:11, I, it is unlawful for any person to offer or sell any security in this state unless it is registered under RSA 421-B, exempt under RSA 421-B:17, or a federal covered security for which the fee has been paid and notice has been filed as required by RSA 421-B:11,I-a. SJIU is in violation of this section for offering or selling securities from or in New Hampshire that were not registered, exempt from registration, or federal covered securities. SJIU has not complied with material conditions of Regulation D, Federal Rules 230.501 et seq.

9. Pursuant to RSA 421-B:17,V, and RSA 421-B:11,I-b(a) and (c), the burden of proving an exemption, preemption, or an exception from a definition is upon the person claiming it.
10. Pursuant to RSA 421-B:22, the Bureau can order that the Respondent pay the costs associated with this investigation.
11. Pursuant to RSA 421-B:23, whenever it appears to the secretary of state that any person has engaged or is about to engage in any act or practice constituting a violation of this chapter or any rule under this chapter, he shall have the power to issue and cause to be served upon such person an order requiring the person to cease and desist from violations of this chapter. SJIU is subject to this section for violations of RSA 421-B:11 and 421-B:3.
12. Pursuant to RSA 421-B:26,III, any person who, either knowingly or negligently, violates any provisions of this chapter may, upon hearing, and in addition to any other penalty provided for by law, be subject to such suspension, revocation or denial of any registration or license, or an administrative fine not to exceed \$2,500, or both. Each of the acts specified shall constitute a separate violation. SJIU is subject to a suspension, revocation, or denial, and a fine for violations of RSA 421-B:3, and 421-B:11.
13. Pursuant to RSA 421-B:26,V, after notice and hearing, the Secretary of State may enter an order of rescission, restitution, or disgorgement directed to a person who has violated RSA 421-B. SJIU is subject to this section for violations of RSA 421-B.

### **RELIEF REQUESTED**

III. The Bureau makes the following requests for relief in the above-referenced matter as permitted under the Act.

1. Find as fact the statements contained in section I of the Statements of Fact.
2. Make conclusions of law relative to the statements contained in section II of the Statements of Law.
3. Pursuant to RSA 421-B:23, issue an order to cease and desist against SJIU for violations under the Act pursuant to RSA 421-B:23.

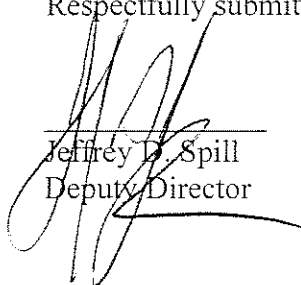


4. Assess administrative fines and penalties of up to \$2,500 per violation against SJIU and totaling up to \$25,000, for the above-referenced violations under the Act.
5. Issue an order requiring SJIU to show cause why its issuer-dealer and issuer-dealer agent license should not be denied, suspended or revoked.
6. Order rescission and restitution pursuant to RSA 421-B:26,V.
7. Order the costs of this action to be paid of up to \$5,000 pursuant to RSA 421-B:22.
8. Order SJIU and to produce information pursuant to RSA 421-B:22 in the form of an undertaking to deliver the required documents under Federal Regulation 230.502(b)(2).
9. Take any other just and equitable relief as permitted under the Act including but limited to rescission, restitution, or disgorgement.

**RIGHT TO AMEND**

The Bureau's staff reserves the right to amend this Petition for Relief and requests that the Director of Securities Regulation take further enforcement action.

Respectfully submitted by:

  
\_\_\_\_\_  
Jeffrey D. Spill  
Deputy Director

6/26/14  
\_\_\_\_\_  
Date