

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

IN THE MATTER OF:

Profile Club, Inc.

Respondent

INV2014-00014

CONSENT AGREEMENT

For purposes of settling the above-referenced matter and in lieu of further administrative proceedings, Profile Club, Inc., (hereinafter referred to as "PCI"), 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 made herein, the Respondent does hereby consent to the following findings, conclusions, undertakings and sanctions:

The Facts

1. PCI is a private golf club formed on or about October 22nd, 1945. PCI is incorporated as a for profit entity in the State of New Hampshire. PCI is located at 1 Profile Road, Franconia, New Hampshire 03580. According to the by-laws of PCI, the principal purpose of PCI is to, "promote, organize, maintain and operate a club for the purpose of furnishing to members golf, skiing, swimming, tennis and other recreational facilities".
2. PCI issued shares to its members mainly for the purpose of establishing membership in the club. According to the by-laws, "no holder of the shares of stock...shall sell, assign, transfer, mortgage, pledge or hypothecate the same except to a spouse or issue or surviving spouse of issue, or by will to surviving spouse or issue, or surviving spouse of issue until they have been offered in writing to the corporation, through its Board of Directors. The corporation shall have the right to purchase the shares at whatever price an existing stockholder has offered in writing to pay or, in the absence of such an offer, at a price set from time to time by a vote of the Board of Directors".
3. On or about January 17th, 2014, PCI notified the Bureau of its intent to raise up to nine hundred thousand dollars at one hundred and fifty dollars per share in an offering to current shareholders to fund the replacement of the clubhouse and to complete other improvements (the "Clubhouse Offering"). At the time, PCI declared

that the sales would be exempt from registration pursuant to RSA 421-B:17, II(p) which allows sales of shares to preexisting shareholders. A Federal Form D was also filed with the Securities and Exchange Commission in or about January 2014 declaring the offering exempt federally under Rule 230.504. Whereas PCI had no filings with the Bureau at the time, an investigation commenced to determine whether the prior completed sales were lawful under RSA 421-B of the Uniform Securities Act.

4. Following the investigation, it was determined by the Bureau that PCI had issued numerous shares to new members without the benefit of both issuer-dealer licensing or registration or exemption from registration of the shares. This unlawful activity took place over many years going back beyond the relevant period of the investigation which was from 2008 through 2013 and far exceeded any numerical exemption available in RSA 421-B. Although PCI made sales of shares to 116 members and a few non-members shareholders under the Clubhouse Offering and took in shareholder money of about seven hundred and thirty thousand dollars, PCI has not issued the shares pending the resolution of this matter. As part of the resolution, PCI obtained at the request of the Bureau, certain signed subscriber acknowledgements from the purchasing shareholders which augments the disclosure given by PCI and which clarifies the subscriber's understanding that although the price paid for shares was one hundred and fifty dollars per share, it is understood among other provisions that the shares are not an investment vehicle that can be resold except in accordance with the by-laws and that there may be no or little value of the shares in any transfer.
5. Because PCI has fully cooperated with the Bureau, submitting to an audit by the Bureau, and the Bureau has satisfied itself that the Clubhouse Offering was meant solely to raise funds to benefit what is essentially a social club, and PCI further intends to take steps to change its designation to a non-profit, the Bureau reaches this Consent Agreement with PCI to resolve the investigation. This Consent Agreement is not intended to and shall not be construed to disqualify any of PCI's members, directors, officers or agents from conducting any business that any of them are otherwise qualified and licensed to conduct.

THE LAW

1. PCI is a "person" and an "issuer-dealer" within the meaning of RSA 421-B:2.
2. Pursuant to RSA 421-B:6, I, it is unlawful for any person to transact business in this state as an issuer-dealer unless such person is licensed under RSA 421-B. PCI has violated this section.
3. Pursuant to RSA 421-B:11, it is unlawful for any person to offer or sell any security in this state unless it is registered under 421-B, the security or transaction is exempt or it is a federal covered security. PCI has violated this provision.

4. Pursuant to RSA 421-B:23, the secretary of state may order any person in violation of 421-B to cease and desist.
5. 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. PCI is subject to this section.

In view of the foregoing, the Respondent agrees to the following undertakings and sanctions:

1. Respondent agrees that that it has voluntarily consented to the entry of this Consent Agreement and represents and avers that no employee or representative of the Bureau has made any promise, representation or threat to induce their execution.
2. Respondent agrees to waive its right to an administrative hearing and any appeal therein under this chapter.
3. Upon execution of this Consent Agreement by Respondent, Respondent agrees to pay an administrative fine totaling in the amount of five thousand dollars (\$5,000) to the State of New Hampshire. Payment shall be made by 1) United States postal money order, certified check, bank cashier's check, or bank money order; 2) made payable to the State of New Hampshire; and 3) hand-delivered or mailed to the Bureau of Securities Regulation, Department of State, State House, Room 204, Concord, New Hampshire, 03301.
4. The Respondent agrees to cease and desist from violations of RSA 421-B.
5. Respondent agrees that this Consent Agreement is entered into for purpose of resolving only the matter and issues as described herein and no other issues pending before the State of New Hampshire. This Consent Agreement shall have no collateral estoppel, res judicata, evidentiary, or other legal effect in any other lawsuit, proceeding, or action, not described herein. Likewise, this Consent Agreement shall not be construed to restrict the Bureau's right to initiate an administrative investigation or proceeding relative to conduct unrelated to this complaint.
6. The Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying,

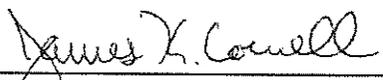
directly or indirectly, any allegation in this Consent Agreement or create the impression that the Consent Agreement is without factual basis. Nothing in this provision affects the Respondent's testimonial obligations or right to take legal positions in litigation in which the State of New Hampshire is not a party.

7. PCI is authorized to issue the shares already sold pursuant to the Clubhouse Offering as identified in the facts above, but may not issue any other shares until such time as PCI registers the shares or is otherwise able to utilize a state exemption listed under RSA 421-B. It is the Bureau's understanding that PCI will take steps to become a non-profit.
8. Should PCI violate this Consent Agreement, the Bureau may rescind the Consent Agreement without a hearing and institute formal enforcement proceedings under RSA 421-B.

Based on the foregoing, PCI and the Bureau agree to the following:

1. Respondent will pay an administrative fine in the amount of five thousand dollars (\$5,000) as stated above.
2. Respondent shall make all fine payments within 10 days from the date of execution of this order.
3. Respondent agrees to cease and desist from violating RSA 421-B.
4. Respondent will comply with the above-referenced undertakings.

Executed this 17th day of September, 2015.



on behalf of PCI
Please print name below:

James K. Cornell

Executed this 17th day of September, 2015.



Barry Glennon, Director