

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

In the matter of:

ASI CAPITAL, LLC
Unregistered

Agency No. 335302

and

ASI CAPITAL INCOME FUND, LLC
Unregistered

Agency No. 336781

and

ASI HEALTHCARE CAPITAL PARTNERS, LP
Unregistered

Agency No. 336782

Respondents.

_____ /

Issued and entered
this 17th day of January, 2020

STIPULATION AND CONSENT ORDER
RESOLVING CEASE AND DESIST ORDERS

A. Relevant information and statutory provisions, under the Michigan Uniform Securities Act (2002) (the Act), 2008 PA 551, MCL 451.2101 *et seq* (the “Securities Act”):

1. Respondent ASI Capital, LLC is a Wyoming-organized limited liability company headquartered in Colorado Springs, Colorado. Respondent ASI Capital Income Fund, LLC is a Colorado-organized limited liability company headquartered in Colorado Springs, Colorado. Respondent ASI Healthcare Partners, LP is a Delaware-organized limited partnership headquartered in Colorado Springs, Colorado.
2. ASI Capital, LLC, ASI Capital Income Funds, LLC and ASI Healthcare Partners, LP (collectively “Respondents”) are not registered in any capacity under the Securities Act, and Respondents have not registered any securities offerings pursuant to the Securities Act.

3. On August 8, 2018, the State of Michigan, Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau (the "Bureau") and the Director of the Bureau who serves as the Administrator of the Act (the "Administrator") issued a Notice and Order to Cease and Desist ("C&D") to each Respondent under MCL 451.2604. The C&D Orders asserted that:

Respondents offered and sold investment contract securities, including to Michigan residents, and advertised the offerings on a public-facing website. The securities were not registered, and Respondent did not identify a relevant preemption or exemption from registration during the Bureau's investigation.

While Respondents claimed an exemption, the Bureau identified inadequate information to support reliance on that exemption, including satisfying the limitations on general solicitations.

4. Respondents timely requested a hearing under section 604 of the Securities Act, MCL 451.2604, but thereafter agreed to hold the hearing in abeyance while the Bureau and Respondents (collectively "the Parties") attempted to negotiate a resolution of the above-captioned matters.

B. STIPULATION

The Parties have agreed to and recommend that the Administrator order a settlement of this matter and resolve the C&D Orders pursuant to the terms and conditions set forth below, through the entry of an Administrative Consent Order.

1. Respondents agree to comply with the Securities Act in connection with all future conduct and activities, including but not limited to ensuring that they are registered or exempt before offering or selling any securities in Michigan and ensuring that any securities offered or sold in Michigan are registered or exempt.
2. Respondents neither admit nor deny the allegations in the C&D Orders and neither admit nor deny any wrongdoing in connection with these matters. Respondents consent to entry of this Consent Order only for the purpose of resolving the C&D Orders in an expeditious fashion that avoids the time and

expense associated with an administrative proceeding and any appeals therefrom.

3. Respondents acknowledge that the Bureau will not provide legal advice or express an opinion on the applicability or satisfaction of exemptions or notice filings claimed by Respondents. Respondents further acknowledge that in any administrative proceeding under the Securities Act, section 503 of the Act, MCL 451.2503, specifically requires that Respondents bear the burden of proving the applicability of any exemption or preemption claimed by Respondents.
4. The Parties agree that this Consent Order is automatically admissible in a proceeding to enforce its provisions or in any administrative proceeding under the Securities Act.
5. The Parties agree that this Consent Order resolves only Respondents' activities, conduct, and alleged Securities Act violations contained in the C&D Orders and does not address or resolve any other activities, conduct, or potential Securities Act violations engaged in by Respondents not expressly contained in the C&D Orders or occurring after the date of this Consent Order.
6. Respondents agree that, effective upon entry of this Consent Order, any request for an administrative hearing related to the C&D Orders is automatically revoked without further action of the Parties.
7. The Administrator agrees to reduce the total fines in the C&D Orders, and Respondents agree to pay, jointly and severally, a civil fine of Five Thousand Dollars (\$5,000.00) to the Bureau within Sixty (60) days after the mailing date of this Consent Order. The fine must be paid by check or money order payable to the "State of Michigan," contain Respondents' identifying information (each Respondents' name and Agency Nos. 335302, 336781, and 336782), and be mailed to:

Corporations, Securities & Commercial Licensing Bureau
Final Order Monitoring – Securities & Audit Division
P.O. Box 30018
Lansing, MI 48909


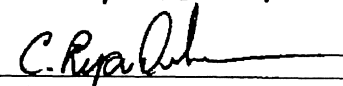
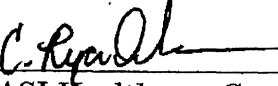
8. If any portion of the fine is overdue for at least six months, the Administrator may refer it to the Michigan Department of Treasury for collection action against any and/or all Respondents. In addition, the Administrator reserves the right to pursue any other action or proceeding permitted by law to enforce payment of the fine.
9. The Parties acknowledge and agree that the Administrator retains the right to pursue any action or proceeding permitted by law to enforce compliance with the provisions of this Consent Order, and that failure to comply with this Consent Order may result in the reinstatement of the C&D Orders, pending any other action the Administrator chooses to take as a result of Respondents' failure to comply.
10. Respondents agree to cooperate with the Bureau and comply with any reasonable investigative demands made by the Bureau in the future for purposes of ensuring compliance with this Consent Order or the Securities Act.
11. Respondents acknowledge and agree that: (a) the Administrator has jurisdiction and authority to enter this Consent Order; (b) the Administrator may enter this Consent Order without any further notice to Respondents; and (c) upon entry of this Consent Order, it is final and binding, and Respondents waive any right to a hearing or an appeal of this Consent Order and the C&D Orders under the Securities Act, the rules promulgated under the Securities Act or the predecessor Securities Act, the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 *et seq.*, or other applicable law.
12. The Parties understand and agree that this Consent Order will be presented to the Administrator for her final approval as evidence by its entry, and that the Administrator may, in her sole discretion, decide to accept or reject this Consent Order. If the Administrator accepts this Consent Order by entering it, this Consent Order becomes fully effective and binding in accordance with Paragraph B.11. above. If the Administrator rejects this Consent Order by refusing to enter it, the Parties waive any objection to submitting a hearing request for adjudication through a formal administrative proceeding and the Administrator remaining the final decisionmaker at the conclusion of that proceeding.

13. The Parties acknowledge and agree that this Consent Order contains the entire understanding of the Parties and supersedes and forever terminates all prior and contemporaneous representations, promises, understandings, and negotiations, whether oral or written, with respect to its subject matter. The Parties further agree that this Consent Order may only be amended, modified, or supplemented by a duly executed writing signed by each Party and approved by Order of the Administrator.
14. The Parties acknowledge and represent that: (a) each Party has read this Consent Order in its entirety and fully understands all of its terms, conditions, ramifications, and consequences; (b) each Party unconditionally consents to the terms of this Consent Order; (c) each Party has consulted with or had ample opportunity to consult with legal counsel of his, her, or its choosing prior to executing this Consent Order; (d) each Party has freely and voluntarily signed this Consent Order; and (e) the consideration received by each Party as described in this Consent Order is adequate.
15. Respondents understand and intend that by signing this Consent Order, they are waiving the right, pursuant to the Act, the rules promulgated under that Act and the Uniform Securities Act (Predecessor Act), 1964 PA 265, MCL 451.501 *et seq.*, and the Administrative Procedures Act, 1969 PA 306, MCL 24.201 *et seq.*, to prior notice and a hearing before an administrative law judge, at which the Bureau would be required to defend any disciplinary action taken under Section 604 (6) of the Act, MCL 451.2604, by presentation of evidence and legal authority and at which Respondents would be entitled to appear with or without an attorney to cross-examine all witnesses presented by the Bureau and to present such testimony or other evidence or legal authority deemed appropriate.
16. The Parties agree that this Consent Order: (a) does not and shall not be interpreted to subject Respondents to disqualification, or to form the basis for such a disqualification, under the federal securities laws, or rules or regulations thereunder, including without limitation Section 203(e)(9) of the Investment Advisers Act of 1940, as amended or the securities laws, rules and regulations of the various states, commonwealths, and territories of the United States of America, including without limitation, any disqualification from relying upon the exemptions from securities registration or related safe harbor provisions; (b) does not disqualify Respondents from any business that

they are otherwise qualified or registered to perform; (c) does not constitute a finding that the Respondents engaged in any violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct; and (d) that, pursuant to Rule 506(d)(2)(iii) and Rule 262(b)(3) of the Securities Act of 1933 ("1933 Act"), disqualification under Rules 505(b)(2)(iii) or 506(d)(1), or Rule 262(a) under the 1933 Act should not arise as a consequence of this Consent Order. The application of this paragraph is limited solely to this Consent Order and the conduct resolved in connection therewith, and it does not otherwise limit or affect application of the cited statutes and rules in any other respect.

17. The Parties agree that this Consent Order is a public record required to be published and made available to the public, consistent with section 11 of the Michigan Freedom of Information Act, MCL 15.241. The Bureau currently publishes copies of orders issued under the Securities Act to the Bureau's website and includes a summary of order content in monthly disciplinary action reports separately published on its website.
18. The Parties agree that facsimile or electronically transmitted signatures may be submitted in connection with this Consent Order and are binding on that Party to the same extent as an original signature.

Through their signatures, the Parties agree to the above terms and conditions.

Dated: <u>12/19/19</u>	Signed: <u></u> ASI Capital, LLC By: <u>C. Ryan Dunham</u> CEO, The Convergence Group, Manager
Dated: <u>12/19/19</u>	Signed: <u></u> ASI Capital Income Fund, LLC By: <u>CEO, The Convergence Group, Manager</u>
Dated: <u>12/19/19</u>	Signed: <u></u> ASI Healthcare Capital Partners, LP By: <u>C. Ryan Dunham</u> CEO, The Convergence Group, Manager

Acknowledged and Review by:

Dated: 12/30/19

Signed:

Robert R. Stead

Robert R. Stead
Attorney for Respondents

Approved by:

Dated: 1/8/20

Signed:

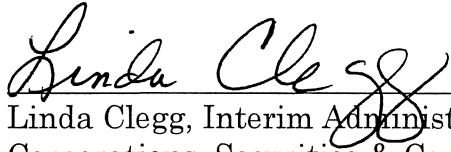
Timothy L. Teague

Timothy L. Teague
Securities & Audit Division Director
Corporations, Securities & Commercial
Licensing Bureau

C. ORDER

The Administrator NOW, THEREFORE, ORDERS:

THE TERMS AND CONDITIONS IN THIS CONSENT ORDER ARE BINDING AND EFFECTIVE, IN ACCORD WITH THE FULLY EXECUTED STIPULATION CONTAINED HEREIN.

A handwritten signature in cursive script, reading "Linda Clegg", is written over a horizontal line. The signature is in black ink and is positioned above the typed name and title.

Linda Clegg, Interim Administrator and Director
Corporations, Securities & Commercial Licensing Bureau

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

In the Matter of:

Complaint No. 335302

ASI CAPITAL, LLC
Unregistered

Respondent.

_____ /
This 8th day of August, 2018

NOTICE AND ORDER TO CEASE AND DESIST

Julia Dale, the Director of the Corporations, Securities & Commercial Licensing Bureau (the “Administrator”), pursuant to her statutory authority and responsibility to administer and enforce the Michigan Uniform Securities Act (2002), 2008 PA 551, as amended, MCL 451.2101 *et seq* (“Securities Act”), hereby orders ASI Capital, LLC (“Respondent”) to cease and desist from offering or selling unregistered securities, contrary to the Securities Act. Respondent is also notified of the opportunity to request a hearing in this matter.

I. BACKGROUND

A. The Respondent

1. ASI Capital, LLC is a Wyoming-organized limited liability company headquartered in Colorado Springs, Colorado. Respondent is not registered in any capacity pursuant to the Securities Act, nor has it registered any securities offerings pursuant to the Securities Act.

B. Findings of Fact

1. The Bureau conducted an investigation of Respondent’s activities under the Securities Act in Michigan.
2. The investigation developed evidence that Respondent offered and sold investment contract securities, including to Michigan residents, and advertised the offerings on a public-facing website. The securities were not registered, and

Respondent did not identify a relevant preemption or exemption from registration during the Bureau's investigation.

II. RELEVANT STATUTORY PROVISIONS

1. Section 102c(c) of the Securities Act, MCL 451.2102c(c) defines "Security", in part, as:

a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest in or based on the value of that put, call, straddle, option, or privilege on that security, certificate of deposit, or group or index of securities, put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, an investment in a viatical or life settlement agreement; or, in general, an interest or instrument commonly known as a "security"; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing...

(v) The term includes an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor. As used in this subparagraph, a "common enterprise" means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors.

2. Section 102c(a) of the Securities Act, MCL 451.2102c(a) defines "Sale" as follows:

(a) "Sale" includes every contract of sale, contract to sell, or disposition of, a security or interest in a security for value, and "offer to sell" includes every attempt or offer to dispose of, or solicitation of an offer to purchase, a security or interest in a security for value. Both terms include any of the following:

(iii) A sale or offer of a warrant or right to purchase or subscribe to another security of the same or another issuer, and a sale or offer of a security that gives the holder a present or future right or privilege to convert the security into another security of the same or another issuer, including an offer of the other security

3. Section 301 of the Securities Act, MCL 451.2301, states:

A person shall not offer or sell a security in this state unless 1 or more of the following are met:

- (a) The security is a federal covered security.
- (b) The security, transaction, or offer is exempted from registration under section 201 to 203.
- (c) The security is registered under this act.

4. Section 503(1) of the Securities Act, MCL 451.2503(1), states:

In a civil action or administrative proceeding under this act, a person claiming an exemption, exception, preemption, or exclusion has the burden to prove the applicability of the exemption, exception, preemption, or exclusions.

III. CONCLUSIONS OF LAW

- 1. Respondent ASI Capital, LLC offered or sold securities in Michigan which were not federally covered, exempt from registration, or registered, in violation of section 301 of the Securities Act, MCL 451.2301.

IV. ORDER

IT IS THEREFORE ORDERED, pursuant to section 604 of the Securities Act, MCL 451.2604, that:

- A. Respondent shall immediately CEASE AND DESIST from offering or selling unregistered securities, contrary to the Securities Act.
- B. Pursuant to section 604(2) of the Securities Act, this Notice and Order to Cease and Desist is IMMEDIATELY EFFECTIVE.
- C. In her Final Order, the Administrator, under section 604(4) of the Securities Act, MCL 451.2604(4), intends to impose a civil fine of \$10,000.00 against Respondent.
- D. Pursuant to section 508 of the Securities Act, MCL 451.2508, a person that willfully violates the Securities Act, or an order issued under the Securities Act, is guilty of a felony punishable by imprisonment for not more than 10 years or a fine of not more than \$500,000.00 for each violation, or both. An individual convicted of violating a rule or order under this act may be fined, but shall not be imprisoned, if the individual did not have knowledge of the rule or order.

V. **NOTICE OF OPPORTUNITY FOR HEARING**

Section 604 of the Securities Act, MCL 451.2604, provides that Respondent has 30 days beginning with the first day after the date of service of this Notice and Order to Cease and Desist to submit a written request to the Administrator asking that this matter be scheduled for a hearing. If the Administrator receives a written request in a timely manner, the Administrator shall schedule a hearing within 15 days after receipt of the request. The written request for a hearing must be addressed to:

Corporations, Securities & Commercial Licensing Bureau
Regulatory Compliance Division
P.O. Box 30018
Lansing, MI 48909

VI. **ORDER FINAL ABSENT HEARING REQUEST**

- A. Under section 604 of the Securities Act, MCL 451.2604, the Respondent's failure to submit a written request for a hearing to the Administrator within 30 days after the service date of this **NOTICE AND ORDER TO CEASE AND DESIST** shall result in this order becoming a **FINAL ORDER** by operation of law. The **FINAL ORDER** includes the imposition of the fines cited described in section IV.C., and the fine amounts set forth below will become due and payable to the Administrator within sixty (60) days after the date this order becomes final:

\$10,000.00 – ASI Capital, LLC, under section 604 of the Securities Act, MCL 451.2604.

- B. CIVIL FINE payments should be payable to the STATE OF MICHIGAN and contain identifying information (e.g., names and complaint numbers) and mailed to the following address:

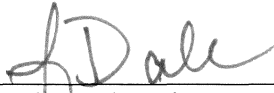
Corporations, Securities & Commercial Licensing Bureau
Final Order Monitoring
P.O. Box 30018
Lansing, MI 48909

- C. Failure to comply with the terms of this Order within the time frames specified may result in additional administrative penalties, including the summary suspension or continued suspension of all registrations held by Respondent under the Securities Act, the denial of any registration renewal, and/or the denial of any future applications for registration, until full compliance is made. Respondent may voluntarily surrender or withdraw a registration under the Securities Act; however, the surrender or withdrawal will not negate the summary suspension or continued suspension of the

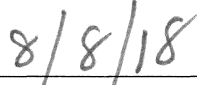
relevant registrations or any additional administrative proceedings if a violation of this Order or the Securities Act occurred.

- D. Failure to pay the civil fines within six (6) months after this Order becomes final may result in the referral of the civil fines to the Michigan Department of Treasury for collection action against Respondents.

CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU



By: Julia Dale, Director, Corporations, Securities
& Commercial Licensing Bureau



Date

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

In the Matter of:

Complaint No. 336781

ASI CAPITAL INCOME FUND, LLC
Unregistered

Respondent.

_____ /
This 8th day of August, 2018

NOTICE AND ORDER TO CEASE AND DESIST

Julia Dale, the Director of the Corporations, Securities & Commercial Licensing Bureau (the "Administrator"), pursuant to her statutory authority and responsibility to administer and enforce the Michigan Uniform Securities Act (2002), 2008 PA 551, as amended, MCL 451.2101 *et seq* ("Securities Act"), hereby orders ASI Capital Income Fund, LLC ("Respondent") to cease and desist from offering or selling unregistered securities, contrary to the Securities Act. Respondent is also notified of the opportunity to request a hearing in this matter.

I. BACKGROUND

A. The Respondent

1. ASI Capital Income Fund, LLC is a Colorado-organized limited liability company headquartered in Colorado Springs, Colorado. Respondent is not registered in any capacity pursuant to the Securities Act, nor has it registered any securities offerings pursuant to the Securities Act.

B. Findings of Fact

1. The Bureau conducted an investigation of Respondent's activities under the Securities Act in Michigan.
2. The investigation developed evidence that Respondent offered and sold investment contract securities, including to Michigan residents, and advertised the offerings on a public-facing website. The securities were not registered, and

Respondent did not identify a relevant preemption or exemption from registration during the Bureau's investigation.

II. RELEVANT STATUTORY PROVISIONS

1. Section 102c(c) of the Securities Act, MCL 451.2102c(c) defines "Security", in part, as:

a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest in or based on the value of that put, call, straddle, option, or privilege on that security, certificate of deposit, or group or index of securities, put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, an investment in a viatical or life settlement agreement; or, in general, an interest or instrument commonly known as a "security"; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing...

(v) The term includes an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor. As used in this subparagraph, a "common enterprise" means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors.

2. Section 102c(a) of the Securities Act, MCL 451.2102c(a) defines "Sale" as follows:

(a) "Sale" includes every contract of sale, contract to sell, or disposition of, a security or interest in a security for value, and "offer to sell" includes every attempt or offer to dispose of, or solicitation of an offer to purchase, a security or interest in a security for value. Both terms include any of the following:

(iii) A sale or offer of a warrant or right to purchase or subscribe to another security of the same or another issuer, and a sale or offer of a security that gives the holder a present or future right or privilege to convert the security into another security of the same or another issuer, including an offer of the other security

3. Section 301 of the Securities Act, MCL 451.2301, states:

A person shall not offer or sell a security in this state unless 1 or more of the following are met:

- (a) The security is a federal covered security.
- (b) The security, transaction, or offer is exempted from registration under section 201 to 203.
- (c) The security is registered under this act.

4. Section 503(1) of the Securities Act, MCL 451.2503(1), states:

In a civil action or administrative proceeding under this act, a person claiming an exemption, exception, preemption, or exclusion has the burden to prove the applicability of the exemption, exception, preemption, or exclusions.

III. CONCLUSIONS OF LAW

- 1. Respondent ASI Capital Income Fund, LLC offered or sold securities in Michigan which were not federally covered, exempt from registration, or registered, in violation of section 301 of the Securities Act, MCL 451.2301.

IV. ORDER

IT IS THEREFORE ORDERED, pursuant to section 604 of the Securities Act, MCL 451.2604, that:

- A. Respondent shall immediately CEASE AND DESIST from offering or selling unregistered securities, contrary to the Securities Act.
- B. Pursuant to section 604(2) of the Securities Act, this Notice and Order to Cease and Desist is IMMEDIATELY EFFECTIVE.
- C. In her Final Order, the Administrator, under section 604(4) of the Securities Act, MCL 451.2604(4), intends to impose a civil fine of \$10,000.00 against Respondent.
- D. Pursuant to section 508 of the Securities Act, MCL 451.2508, a person that willfully violates the Securities Act, or an order issued under the Securities Act, is guilty of a felony punishable by imprisonment for not more than 10 years or a fine of not more than \$500,000.00 for each violation, or both. An individual convicted of violating a rule or order under this act may be fined, but shall not be imprisoned, if the individual did not have knowledge of the rule or order.

V. NOTICE OF OPPORTUNITY FOR HEARING

Section 604 of the Securities Act, MCL 451.2604, provides that Respondent has 30 days beginning with the first day after the date of service of this Notice and Order to Cease and Desist to submit a written request to the Administrator asking that this matter be scheduled for a hearing. If the Administrator receives a written request in a timely manner, the Administrator shall schedule a hearing within 15 days after receipt of the request. The written request for a hearing must be addressed to:

Corporations, Securities & Commercial Licensing Bureau
Regulatory Compliance Division
P.O. Box 30018
Lansing, MI 48909

VI. ORDER FINAL ABSENT HEARING REQUEST

A. Under section 604 of the Securities Act, MCL 451.2604, the Respondent's failure to submit a written request for a hearing to the Administrator within 30 days after the service date of this **NOTICE AND ORDER TO CEASE AND DESIST** shall result in this order becoming a **FINAL ORDER** by operation of law. The **FINAL ORDER** includes the imposition of the fines cited described in section IV.C., and the fine amounts set forth below will become due and payable to the Administrator within sixty (60) days after the date this order becomes final:

\$10,000.00 – ASI Capital Income Fund, LLC, under
section 604 of the Securities Act, MCL 451.2604.

B. CIVIL FINE payments should be payable to the STATE OF MICHIGAN and contain identifying information (e.g., names and complaint numbers) and mailed to the following address:

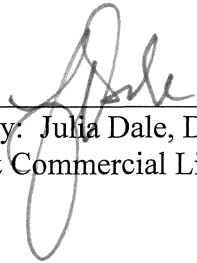
Corporations, Securities & Commercial Licensing Bureau
Final Order Monitoring
P.O. Box 30018
Lansing, MI 48909

C. Failure to comply with the terms of this Order within the time frames specified may result in additional administrative penalties, including the summary suspension or continued suspension of all registrations held by Respondent under the Securities Act, the denial of any registration renewal, and/or the denial of any future applications for registration, until full compliance is made. Respondent may voluntarily surrender or withdraw a registration under the Securities Act; however, the surrender or withdrawal will not negate the summary suspension or continued suspension of the

relevant registrations or any additional administrative proceedings if a violation of this Order or the Securities Act occurred.

- D. Failure to pay the civil fines within six (6) months after this Order becomes final may result in the referral of the civil fines to the Michigan Department of Treasury for collection action against Respondents.

CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU



By: Julia Dale, Director, Corporations, Securities
& Commercial Licensing Bureau

Date 8/8/18

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

In the Matter of:

Complaint No. 336782

ASI HEALTHCARE CAPITAL PARTNERS, LP
Unregistered

Respondent.

_____ /
This 8th day of August, 2018

NOTICE AND ORDER TO CEASE AND DESIST

Julia Dale, the Director of the Corporations, Securities & Commercial Licensing Bureau (the "Administrator"), pursuant to her statutory authority and responsibility to administer and enforce the Michigan Uniform Securities Act (2002), 2008 PA 551, as amended, MCL 451.2101 *et seq* ("Securities Act"), hereby orders ASI Healthcare Capital Partners, LP ("Respondent") to cease and desist from offering or selling unregistered securities, contrary to the Securities Act. Respondent is also notified of the opportunity to request a hearing in this matter.

I. BACKGROUND

A. The Respondent

1. ASI Healthcare Capital Partners, LP is a Delaware-organized limited partnership headquartered in Colorado Springs, Colorado. Respondent is not registered in any capacity pursuant to the Securities Act, nor has it registered any securities offerings pursuant to the Securities Act.

B. Findings of Fact

1. The Bureau conducted an investigation of Respondent's activities under the Securities Act in Michigan.
2. The investigation developed evidence that Respondent offered and sold investment contract securities, including to Michigan residents, and advertised the offerings on a public-facing website. The securities were not registered, and

Respondent did not identify a relevant preemption or exemption from registration during the Bureau's investigation.

II. RELEVANT STATUTORY PROVISIONS

1. Section 102c(c) of the Securities Act, MCL 451.2102c(c) defines "Security", in part, as:

a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest in or based on the value of that put, call, straddle, option, or privilege on that security, certificate of deposit, or group or index of securities, put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, an investment in a viatical or life settlement agreement; or, in general, an interest or instrument commonly known as a "security"; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing...

(v) The term includes an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor. As used in this subparagraph, a "common enterprise" means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors.

2. Section 102c(a) of the Securities Act, MCL 451.2102c(a) defines "Sale" as follows:

(a) "Sale" includes every contract of sale, contract to sell, or disposition of, a security or interest in a security for value, and "offer to sell" includes every attempt or offer to dispose of, or solicitation of an offer to purchase, a security or interest in a security for value. Both terms include any of the following:

(iii) A sale or offer of a warrant or right to purchase or subscribe to another security of the same or another issuer, and a sale or offer of a security that gives the holder a present or future right or privilege to convert the security into another security of the same or another issuer, including an offer of the other security

3. Section 301 of the Securities Act, MCL 451.2301, states:

A person shall not offer or sell a security in this state unless 1 or more of the following are met:

- (a) The security is a federal covered security.
- (b) The security, transaction, or offer is exempted from registration under section 201 to 203.
- (c) The security is registered under this act.

4. Section 503(1) of the Securities Act, MCL 451.2503(1), states:

In a civil action or administrative proceeding under this act, a person claiming an exemption, exception, preemption, or exclusion has the burden to prove the applicability of the exemption, exception, preemption, or exclusions.

III. CONCLUSIONS OF LAW

- 1. Respondent ASI Healthcare Capital Partners, LP offered or sold securities in Michigan which were not federally covered, exempt from registration, or registered, in violation of section 301 of the Securities Act, MCL 451.2301.

IV. ORDER

IT IS THEREFORE ORDERED, pursuant to section 604 of the Securities Act, MCL 451.2604, that:

- A. Respondent shall immediately CEASE AND DESIST from offering or selling unregistered securities, contrary to the Securities Act.
- B. Pursuant to section 604(2) of the Securities Act, this Notice and Order to Cease and Desist is IMMEDIATELY EFFECTIVE.
- C. In her Final Order, the Administrator, under section 604(4) of the Securities Act, MCL 451.2604(4), intends to impose a civil fine of \$10,000.00 against Respondent.
- D. Pursuant to section 508 of the Securities Act, MCL 451.2508, a person that willfully violates the Securities Act, or an order issued under the Securities Act, is guilty of a felony punishable by imprisonment for not more than 10 years or a fine of not more than \$500,000.00 for each violation, or both. An individual convicted of violating a rule or order under this act may be fined, but shall not be imprisoned, if the individual did not have knowledge of the rule or order.

V. NOTICE OF OPPORTUNITY FOR HEARING

Section 604 of the Securities Act, MCL 451.2604, provides that Respondent has 30 days beginning with the first day after the date of service of this Notice and Order to Cease and Desist to submit a written request to the Administrator asking that this matter be scheduled for a hearing. If the Administrator receives a written request in a timely manner, the Administrator shall schedule a hearing within 15 days after receipt of the request. The written request for a hearing must be addressed to:

Corporations, Securities & Commercial Licensing Bureau
Regulatory Compliance Division
P.O. Box 30018
Lansing, MI 48909

VI. ORDER FINAL ABSENT HEARING REQUEST

- A. Under section 604 of the Securities Act, MCL 451.2604, the Respondent's failure to submit a written request for a hearing to the Administrator within 30 days after the service date of this **NOTICE AND ORDER TO CEASE AND DESIST** shall result in this order becoming a **FINAL ORDER** by operation of law. The **FINAL ORDER** includes the imposition of the fines cited described in section IV.C., and the fine amounts set forth below will become due and payable to the Administrator within sixty (60) days after the date this order becomes final:

\$10,000.00 – ASI Healthcare Capital Partners, LP, under section 604 of the Securities Act, MCL 451.2604.

- B. CIVIL FINE payments should be payable to the STATE OF MICHIGAN and contain identifying information (e.g., names and complaint numbers) and mailed to the following address:

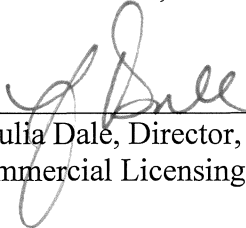
Corporations, Securities & Commercial Licensing Bureau
Final Order Monitoring
P.O. Box 30018
Lansing, MI 48909

- C. Failure to comply with the terms of this Order within the time frames specified may result in additional administrative penalties, including the summary suspension or continued suspension of all registrations held by Respondent under the Securities Act, the denial of any registration renewal, and/or the denial of any future applications for registration, until full compliance is made. Respondent may voluntarily surrender or withdraw a registration under the Securities Act; however, the surrender or withdrawal will not negate the summary suspension or continued suspension of the

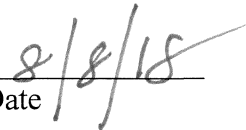
relevant registrations or any additional administrative proceedings if a violation of this Order or the Securities Act occurred.

- D. Failure to pay the civil fines within six (6) months after this Order becomes final may result in the referral of the civil fines to the Michigan Department of Treasury for collection action against Respondents.

CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU



By: Julia Dale, Director, Corporations, Securities
& Commercial Licensing Bureau



Date