STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING whether there has been a violation of the Securities Act of Washington by:

Ashland Partners L.P.;
Killarney Partners, L.P.;
James Timothy Rodgers,

Respondents.

THE STATE OF WASHINGTON TO:
Ashland Partners L.P.
Killarney Partners, L.P.
James Timothy Rodgers

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that the Respondents Ashland Partners L.P.; Killarney Partners, L.P.; and James Timothy Rodgers have each violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator against each to cease and desist from such violations pursuant to RCW 21.20.390, to deny future securities registration applications pursuant to RCW 21.20.110(1), to impose a fine pursuant to RCW 21.20.395, and to recover costs under RCW 21.20.390.
TENTATIVE FINDINGS OF FACT

Respondents

1. Ashland Partners L.P. ("Ashland Partners") is a limited partnership, formed initially in Delaware in September 1999, that is active in the state of California. Ashland Partners has a last known principal place of business at 8721 Santa Monica Blvd., Suite 1201, Los Angeles, California.

2. Killarney Partners, L.P. ("Killarney Partners") was a Delaware limited partnership formed in March 2005. Killarney Partners had a last known principal place of business at 40 East Chicago Ave., Suite 394, Chicago, Illinois. Killarney Partners was administratively dissolved in approximately March 2010.

3. James Timothy Rodgers (" Rodgers") is an individual believed to reside in Beaverton, Oregon. Rodgers began his career in the financial services industry as a securities salesperson for several broker-dealers. He was employed by Dain Bosworth Incorporated from December 1987 to May 1991, Everen Securities, Inc. from May 1991 to May 1993, Painewebber Incorporated from May 1993 to July 1994, and Wedbush Morgan Securities Inc. from July 1994 to October 1998. Subsequently, Rodgers was employed in the investment advisory business. He was employed with James T. Rodgers dba Brentwood Capital Advisors from approximately 1999 to 2001 and Ashland Research, LLC from September 2000 to January 2010. Rodgers was registered with the Washington Securities Division at all of his previous employers except for James T. Rodgers dba Brentwood Capital Advisors and Ashland Research, LLC. When he was employed at Ashland Research, LLC, Rodgers was registered solely with the state of California as an investment adviser representative. Rodgers was the founder of Ashland Partners and is
believed to have founded Killarney Partners. Rodgers has a Central Registration Depository ("CRD") number of 1801965.

Other Related Parties

4. James T. Rodgers dba Brentwood Capital Advisors ("Brentwood Capital Advisors") was a sole proprietorship established by Rodgers in 1998, with a principal place of business in Los Angeles, California. Brentwood Capital Advisors was in the business of providing asset management services to a small number of high net worth individuals. Brentwood Capital Advisors was registered as an investment adviser with the state of California from 1999 to March 2001. Brentwood Capital Advisors was never registered in any capacity with the Washington Securities Division.

5. Ashland Research, LLC ("Ashland Research") is an active California limited liability company formed in September 2000, which is believed to be founded by Rodgers. Ashland Research had a last known principal place of business at 40 East Chicago Ave., Suite 394, Chicago, Illinois. Ashland Research was formerly known as Target Research & Management, LLC until June 2005. Ashland Research was registered as an investment adviser with the state of California from January 2001 until January 2010. Ashland Research was never registered in any capacity with the Washington Securities Division. Ashland Research has a CRD number of 128901.

Nature of the Conduct

Introduction

6. From approximately 1999 to 2008, Respondent Rodgers raised at least $5.7 million dollars from at least five Washington residents. The investments were in the form of limited partnership interests. Between approximately 1999 and 2005, Respondent Rodgers offered and sold interests in the Ashland
Partners hedge fund to at least five Washington residents. Subsequently, in 2008 Respondent Rodgers
offered and sold a limited partnership interest in the Killarney Partners hedge fund to at least one
Washington resident who had previously invested in Ashland Partners.

Sale of Ashland Partners Limited Partnership Interests

7. In September 1999, Rodgers founded the Ashland Partners hedge fund. The hedge fund would
pool investor funds to invest primarily in publicly traded high quality growth stocks, using a quantitative
stock selection process. The minimum investment amount for a limited partnership interest in the hedge
fund was $500,000. At the inception of the fund, it is believed that Brentwood Capital Advisors was the
General Partner of Ashland Partners.

8. Rodgers is believed to have founded Ashland Research in September 2000, which then became
the General Partner of Ashland Partners. Around this time, a partner joined Rodgers as co-owner and
co-Managing Member of Ashland Research. Starting in approximately April 2001, the partner acted
primarily as portfolio manager of the fund.

9. Between approximately 1999 and 2002, Rodgers solicited at least five Washington residents that
were friends or acquaintances of his to invest in Ashland Partners. Rodgers solicited three friends he
knew from college, including a friend that he played college football with. He also solicited the parents
and sister of another friend from college. At least two residents had established brokerage accounts with
Rodgers when he was previously employed as a securities salesperson.

10. Rodgers told at least one investor that he could beat the S&P index, which was making an 11-13%
anual return at the time. Rodgers told at least one other investor that he could make 5-10% above
the S&P index. Rodgers also represented that the investment would be diversified because he would not
put more than 10% of the funds in any single investment. Four of the five residents solicited by Rodgers ultimately invested in Ashland Partners.

11. Depending on the date of their investment, the initial investors received either an Offering Memorandum dated September 15, 1999, January 1, 2001, or March 1, 2002. According to the offering materials, Ashland Research, as General Partner, would receive an annual management fee of 1% of each limited partner’s capital account. Ashland Research would also receive an incentive fee of 20% of the net capital appreciation of each limited partner’s capital account.

12. The four Washington residents invested a total of at least $3.2 million dollars between 1999 and 2002, with at least one of the residents making repeat investments over this time period. Investors paid either via check or wire transfer.


14. Rodgers solicited three of the current investors to invest additional funds. Rodgers also solicited the Washington resident that had previously declined to invest. Rodgers told this potential investor that an interest in the fund was available because a limited partner wanted to liquidate their investment, and that the hedge fund would be diversified because not more than 10% would be invested in one fund. This potential investor was also told that the goal of the hedge fund was to meet or beat the Russell and/or S&P indexes. All four residents decided to invest.

15. Investors received a Confidential Offering Memorandum dated June 2005. According to the offering materials, as before, the fund would primarily be invested in publicly traded high growth stocks.
Also, the fund would attempt to maintain a portfolio with no down years and outperform its benchmark by 10-20%.

16. Between January and June 2005, the four Washington residents invested a total of approximately $1.5 million dollars in Ashland Partners. As before, investors paid either via check or wire transfer.

Sale of Killarney Partners Limited Partnership Interest

17. Killarney Partners was a hedge fund formed in approximately 2005. According to offering materials, Killarney Partners used a bottom-up fundamental analysis as its core strategy, focusing on emerging companies with disruptive product offerings or business models. The objective of the fund was to achieve equity rates of return with less risk than equity markets. The minimum investment amount was $250,000.

18. In 2008, Rodgers solicited two Washington residents who had previously invested in Ashland Partners. Only one of the residents was interested in investing. Rodgers represented to this resident that Killarney Partners would have more flexibility than Ashland Partners, as there would be fewer members and he would not have the 10% diversification restriction. Rodgers further told the resident that the fund would do better than the S&P index.

19. Rodgers provided the resident with a Confidential Offering Memorandum for Killarney Partners that was dated March 2005. According to the offering materials, Ashland Research was the General Partner of the fund. As General Partner, Ashland Research would receive a quarterly management fee of 0.25% of each limited partner’s capital account. Ashland Research would also receive an incentive fee of 20% of the net profit allocated to each limited partner during the year.
20. Beginning in approximately October 2008, the Washington resident invested a total of $1 million dollars in Killarney Partners. The resident liquidated a bond fund and transferred the funds to Killarney Partners.

21. In approximately 2009, Rodgers sent a letter to the Washington investor regarding Ashland Partners’ fourth quarter 2008 performance. In the letter, Rodgers indicated that there was an opportunity to invest additional funds in Killarney Partners that quarter. Rodgers said he planned to call investors to discuss how to participate in this capital raise.

Account Statements Provided to Investors

22. As a registered investment adviser with the state of California, Ashland Research indicated on its annual Form ADVs that the custodian would send clients quarterly statements showing all disbursements from the custodian account. However, Ashland Research did not arrange for Washington investors to receive statements from the custodian of the fund.

23. The Ashland Partners investors received quarterly statements from Ashland Research. The Killarney Partners investor received statements less frequently from Ashland Research, only receiving a statement once or twice. The quarterly statements contained few details, including the beginning and ending value for the time period listed, and the net amount of gain or loss. Although the statement indicated that the net amount of gain or loss reflected the amount after any incentive fee withdrawn by the General Partner, the actual amount withdrawn by the General Partner was not specified.

24. At least one Ashland Partners investor noticed that their statements did not always correspond correctly from one period to the next, as there would be a different ending value and starting value for
consecutive periods. In addition, beginning in approximately 2008 or 2009 at least one investor did not receive quarterly statements for every quarter, or received statements that arrived late.

2009 Events

25. Beginning in at least 2009, Rodgers failed to fulfill investor requests to withdraw funds from Ashland Partners. Previously, in 2002, one investor was able to withdraw $15,000 of his funds and from 2005-2008 another investor withdrew over $1 million dollars of his funds. However, in January 2009, one investor notified Rodgers that she wanted to withdraw her account balance. Rodgers talked this investor into leaving her funds in the account until the end of the year. In August 2009, another investor notified Rodgers that she wanted to withdraw her investment funds. Rodgers indicated that he would honor the request, but soon asked if the investor could limit their withdrawal to half of their funds. Neither investor had their request to withdraw funds fulfilled.

26. The last quarterly statements received by Ashland Partners investors were in either March, June, September, or December 2009. The March, June and September 2009 statements showed positive account balances. However, the December 2009 statement that at least one investor received showed the investment value at zero. Rodgers sent at least one Ashland Partners investor a letter dated September 2010, stating that the performance of the fund in the fourth quarter of 2009 was devastating. Investors received a Schedule K-1 for 2009 which listed the value of their investment as zero.

27. The Killarney Partners investor last received an account statement for the period ending September 30, 2009, which showed his account value at $1,140,058. This was the last communication the resident received regarding his investment in Killarney Partners.
28. On December 23, 2009, Ashland Research filed a Form ADV-W in order to withdraw its investment adviser registration with California. Ashland Research stated that its reason for withdrawal was that it was no longer located in California, and listed June 1, 2004 as the date it ceased conducting advisory business in California. In January 2010, California permitted Ashland Research to withdraw its registration.

29. The Ashland Partners and Killarney Partners investors have attempted repeatedly to contact Respondent Rodgers for more information about their investments, but have failed to receive a response.

Misrepresentations and Omissions

30. Respondent Rodgers failed to provide a reasonable basis for the performance projections, and limitations on the performance projections, that he told Ashland Partners investors.

31. Respondents Ashland Partners and James Rodgers failed to provide material information to the new Ashland Partners investor in 2005, including financial statements and prior performance information of the fund.

32. Respondents Ashland Partners and James Rodgers failed to provide a reasonable basis for the performance projection included in the Ashland Partners Offering Memorandum dated June 2005.

33. In the Ashland Partners Offering Memorandums dated March 1, 2002 and June 2005, and the Killarney Partners Offering Memorandum, Rodgers represented that in 1998 he started his own registered investment adviser firm called Brentwood Capital Advisors. Rodgers failed to disclose that in March 2001 the investment adviser registration for Brentwood Capital Advisors was revoked by the state of California due to non-payment of renewal fees.
34. In the Ashland Partners and Killarney Partners Offering Memorandums, Rodgers represented that he graduated from the University of Washington in 1985, and earned a bachelor’s degree in Society and Justice. However, the University of Washington Office of the Registrar has no record of a degree earned by a James T. Rodgers.

35. In the Killarney Partners Offering Memorandum it is represented that Rodgers’ former partner in Ashland Research is the portfolio manager of Killarney Partners. However, his former partner had no involvement in Killarney Partners.

36. Respondent Rodgers failed to provide a reasonable basis for the performance projection, and limitations on the performance projection, that he told the Killarney Partners investor.

Registration Status

37. Ashland Partners L.P. claimed an exemption from registration for an offering under Regulation D Rule 506 with a notice filing submitted to the Securities Administrator on October 27, 1999.

38. Killarney Partners, L.P. was not registered to sell limited partnership interests in the State of Washington during the relevant period.

39. James Timothy Rodgers is not currently registered as a securities salesperson or broker-dealer in the State of Washington and was not registered during the relevant period.

Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:
CONCLUSIONS OF LAW

1. The offer and/or sale of the limited partnership interests, as described above, constitutes the offer and/or sale of a security as defined in RCW 21.20.005(14) and (17).

2. The offer and/or sale of Killarney Partners limited partnership interests were in violation of RCW 21.20.140 because no registration for such offer and sale is on file with the Securities Administrator.

3. The offer and/or sale of the Killarney Partners limited partnership interests were made in violation of RCW 21.20.040 because James Timothy Rodgers offered and/or sold said securities while not registered as a securities salesperson or broker-dealer in the State of Washington.

4. The offer and/or sale of said securities were made in violation of RCW 21.20.010 because, as set forth in the Tentative Findings of Fact, Ashland Partners L.P., Killarney Partners, L.P., and James Timothy Rodgers made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

NOTICE OF INTENT TO ISSUE AN ORDER TO CEASE AND DESIST

Pursuant to RCW 21.20.390(1), and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that the Respondent Ashland Partners L.P. shall cease and desist from violations of RCW 21.20.010; Respondent Killarney Partners, L.P. shall cease and desist from violations of RCW 21.20.140 and RCW 21.20.010; and James Timothy Rodgers shall cease and desist from violations of RCW 21.20.040, RCW 21.20.140, and RCW 21.20.010.
NOTICE OF INTENT TO DENY FUTURE REGISTRATIONS

Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that any future securities registration applications of the Respondent James Timothy Rodgers as an investment adviser, broker-dealer, investment adviser representative, or securities salesperson shall be denied.

NOTICE OF INTENT TO IMPOSE FINES

Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that:

1. Respondent Ashland Partners L.P. shall be liable for and pay a fine of $20,000;

2. Respondent Killarney Partners, L.P. shall be liable for and pay a fine of $10,000; and

3. Respondent James Timothy Rodgers shall be liable for and pay a fine of $30,000.

NOTICE OF INTENT TO CHARGE COSTS

Pursuant to RCW 21.20.390(5), and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that the Respondents Ashland Partners L.P.; Killarney Partners, L.P.; and James Timothy Rodgers shall be liable for and shall pay the Securities Division the costs, fees and other expenses incurred in the conduct of the investigation of this matter in an amount not less than $10,000.

AUTHORITY AND PROCEDURE

This Statement of Charges is entered pursuant to the provisions of RCW 21.20.390 and RCW 21.20.395, and is subject to the provisions of RCW 34.05. The Respondents may each make a written
request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

If a Respondent does not request a hearing, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final, and as described above, enter a permanent order to cease and desist, deny future securities registration applications, and impose the fines and costs sought.

DATED AND ENTERED this 21st day of October, 2013.

By:

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William M. Beatty
Securities Administrator

Approved by:                  Presented by:

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Suzanne Sarason           Bridgett Fisher
Chief of Enforcement           Enforcement Attorney

Reviewed by:

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Robert Kondrat
Financial Legal Examiner Supervisor