

**JESSE LASLOVICH**  
**NICK MAZANEC**  
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Commissioner of Securities and Insurance (CSI)  
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Attorneys for the CSI

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE  
MONTANA STATE AUDITOR**

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IN THE MATTER OF:	)	CASE NO.: SEC-2015-171
HALEN CAPITAL, CRD #135966,	)	<b>CONSENT AGREEMENT AND FINAL</b>
Respondent.	)	<b>ORDER</b>

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This Consent Agreement (Agreement) is entered into by the Office of the Montana State Auditor, Commissioner of Securities and Insurance (CSI), acting pursuant to the authority of the Securities Act of Montana, Mont. Code Ann. § 30-10-101 et seq. (Act), and Halen Capital (Respondent) (collectively, the Parties). The Final Order (Order) is issued by the authority of the Commissioner of Securities and Insurance, Office of the Montana State Auditor (Commissioner) pursuant to the Act.

**RECITALS**

WHEREAS, on or about January 13, 2015, Redwood Scientific Technologies (Redwood), a privately-held company, issued securities in two separate transactions to Montana investors, with combined sales totaling \$125,000;

WHEREAS, Respondent acted as the underwriting and placement agent for the offering;

WHEREAS, Redwood intended to rely upon a federal registration exemption – namely, Regulation D, Rule 506 – to conduct the transactions in conformity with Montana law;

WHEREAS, on or about March 9, 2015, Redwood filed with the CSI its Form D relating to the intended exemption;

WHEREAS, an issuer relying upon the Regulation D, Rule 506 exemption must notice file Form D within 15 days after the first transaction in accordance with § 30-10-211(2);

WHEREAS, both transactions were effectuated by an employee of Respondent acting as a securities salesperson;

WHEREAS, the CSI alleged Respondent violated § 30-10-202(2) when it offered and sold securities that did not qualify as a federal covered security because the § 30-10-211(2) notice filing requirement was not met, and the securities were not otherwise registered or eligible for exemption; and

WHEREAS, the Parties agree that the best interests of the public would be served by entering into this Agreement;

NOW, THEREFORE, in consideration of the mutual undertakings contained in this Agreement, the Parties agree to settle this matter with the following terms and conditions:

### **STIPULATIONS AND CONSENTS**

I. Without admitting or denying the allegations set forth above. Respondent stipulates and agrees as follows:

A. Respondent shall make a contribution to the Securities Restitution Assistance Fund in the amount of \$5,000 no later than February 1, 2017. The contribution payment must be made payable to the State of Montana and sent to:

Montana State Auditor  
c/o Lisa Monroe  
840 Helena Avenue  
Helena, MT 59601

B. Respondent agrees that for future Regulation D, Rule 506 offerings for which Halen serves as a placement agent, such filings will be made within 15 days after the first sale in Montana.

C. Respondent will comply with the terms and conditions of this Agreement, the Act, and all other regulations of the state of Montana.

D. With respect to the Recitals, Respondent specifically and affirmatively waives a contested case hearing and its right to appeal under the Montana Administrative Procedure Act, Mont. Code Ann. § 2-4-101 et seq. (MAPA), and elects to resolve this matter on the terms and conditions set forth herein.

E. Respondent acknowledges that its representation by its legal counsel was satisfactory.

F. Respondent acknowledges that its representative has read and understands each term of this Agreement.

G. Respondent enters into this Agreement voluntarily and without reservation.

H. Respondent fully and forever releases and discharges the CSI from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the Recitals or this Agreement.

II. All parties to this Agreement stipulate and agree as follows:

A. The CSI has jurisdiction over the subject matter of this Agreement.

B. This Agreement resolves the alleged violation set forth in the Recitals.

C. The CSI warrants and represents that so long as Respondent complies with the terms of this Agreement, the CSI will not bring further action against Respondent arising from facts known to the CSI as of the date of the Agreement relating to the Recitals.

D. This Agreement is entered without adjudication of any issue, law, or fact. It is entered solely for the purpose of resolving the matter described in the Recitals and is not intended to be used for any other purpose. For any person or entity not a party to this Agreement, this Agreement does not alter, limit, or create any private rights or remedies against the parties.

E. This Agreement constitutes the entire agreement between the parties on this matter. No other promises or agreements, either express or implied, have been made between the CSI, or any member, officer, agent, or representative of the CSI, and Respondent to induce Respondent to enter into this Agreement.

F. The applicable statute of limitations is tolled for two years from the date of execution of this Agreement with regard to the allegations in the Recitals. In the event Respondent violates the terms of this Agreement at any time before the applicable statute of limitations has run, the CSI reserves the right to seek any additional administrative penalties or further regulatory action, as the law allows.

G. This Agreement may not be modified orally. Any subsequent modifications to this Agreement must be in a mutually-agreed writing with the same formality as this Agreement.

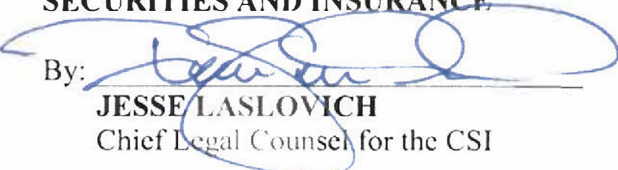
H. This Agreement shall be incorporated into and made part of the attached Final Order issued by the Commissioner.

I. This Agreement shall be effective upon signing of the Final Order.

J. This Agreement and Final Order are public records under Montana law and as such may not be sealed or otherwise withheld from the public.

DATED this 22<sup>nd</sup> day of December, 2016

**OFFICE OF THE MONTANA STATE  
AUDITOR, COMMISSIONER OF  
SECURITIES AND INSURANCE**

By:   
**JESSE LASLOVICH**  
Chief Legal Counsel for the CSI

DATED this 27 day of December, 2016

**HALEN CAPITAL**

By:   
Signature

P. Craig Romano  
Printed Name

CEO  
Title

**FINAL ORDER**

Pursuant to the authority vested by Mont. Code Ann. §§ 2-4-603 and 30-10-101 et seq. and upon review of the foregoing Consent Agreement and good cause appearing,

IT IS HEREBY ORDERED that the foregoing Consent Agreement between the Office of the Montana State Auditor, Commissioner of Securities and Insurance, and Respondent Halen Capital, is adopted as set forth fully herein.

DATED this 5<sup>th</sup> day of January, 2017.



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LYNNE EGAN  
Deputy Securities Commissioner

cc: Nick Mazanec, CSI  
Milt Datsopoulos, Attorney for Respondent