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**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.

Order Number S-10-279-14-FO01

ENTRY OF FINDINGS OF FACT AND  
CONCLUSIONS OF LAW AND FINAL  
ORDER TO CEASE AND DESIST, DENY  
FUTURE REGISTRATIONS, IMPOSE  
FINES, AND CHARGE COSTS  
AS TO ASHLAND PARTNERS, L.P. AND  
JAMES TIMOTHY RODGERS

THE STATE OF WASHINGTON TO:

Ashland Partners L.P.  
James Timothy Rodgers

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**INTRODUCTION**

On October 21, 2013, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intent to Issue an Order to Cease and Desist, Deny Future Registrations, Impose Fines, and Charge Costs, S-10-279-12-SC01, ("Statement of Charges"), against the Respondents Ashland Partners L.P., Killarney Partners, L.P., and James Timothy Rodgers. The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing ("Notice of Opportunity for Hearing"), and an Application for Adjudicative Hearing ("Application for Hearing"), was served on Respondents James Timothy Rodgers and Ashland Partners L.P. on June 25, 2014.

The Notice of Opportunity for Hearing advised Respondents that a written application for an administrative hearing on the Statement of Charges must be received within twenty days from the date of

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ENTRY OF FINDINGS OF FACT AND  
CONCLUSIONS OF LAW AND FINAL ORDER TO  
CEASE AND DESIST, DENY FUTURE  
REGISTRATIONS, IMPOSE FINES, AND  
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ASHLAND PARTNERS, L.P. AND  
JAMES TIMOTHY RODGERS

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DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

1 receipt of the notice. The Statement of Charges advised the Respondents that if a hearing was not  
2 requested, the Securities Administrator intends to adopt the “Tentative Findings of Fact” and “Conclusions  
3 of Law,” as set forth in the Statement of Charges, as final, and enter a final order against the Respondents  
4 to cease and desist from violations of the Securities Act, to deny future securities registration applications  
5 of James Timothy Rodgers, and to impose the fine and recover costs.

6 The Respondents James Timothy Rodgers and Ashland Partners L.P. failed to request an  
7 administrative hearing within twenty days of receipt of the Statement of Charges and Notice of Opportunity  
8 for Hearing, either on the Application for Hearing provided or otherwise. The Securities Administrator  
9 therefore will adopt as final the findings of fact and conclusions of law as set forth in the Statement of  
10 Charges and enter a final order against James Timothy Rodgers and Ashland Partners L.P. to cease and  
11 desist from violations of the Securities Act, to deny future securities registration applications of James  
12 Timothy Rodgers, and to impose the fine and recover costs.

## 14 FINDINGS OF FACT

### 15 Respondents

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

19 2. Killarney Partners, L.P. (“Killarney Partners”) was a Delaware limited partnership formed in  
20 March 2005. Killarney Partners had a last known principal place of business at 40 East Chicago Ave.,  
21

1 Suite 394, Chicago, Illinois. Killarney Partners was administratively dissolved in approximately March  
2 2010.

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

16 Other Related Parties

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

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

#### 10 Nature of the Conduct

##### 11 *Introduction*

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

##### 18 *Sale of Ashland Partners Limited Partnership Interests*

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

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

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

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

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

1 12. The four Washington residents invested a total of at least \$3.2 million dollars between 1999 and  
2 2002, with at least one of the residents making repeat investments over this time period. Investors paid  
3 either via check or wire transfer.

4 13. In approximately June 2004, Rodgers' partner sold his ownership interest in Ashland Research to  
5 him. Rodgers became the sole owner of Ashland Research. Soon after, in January 2005, Rodgers  
6 started soliciting additional investments for Ashland Partners.

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

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

17 16. Between January and June 2005, the four Washington residents invested a total of approximately  
18 \$1.5 million dollars in Ashland Partners. As before, investors paid either via check or wire transfer.

19 *Sale of Killarney Partners Limited Partnership Interest*

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

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

9 19. Rodgers provided the resident with a Confidential Offering Memorandum for Killarney Partners  
10 that was dated March 2005. According to the offering materials, Ashland Research was the General  
11 Partner of the fund. As General Partner, Ashland Research would receive a quarterly management fee of  
12 0.25% of each limited partner's capital account. Ashland Research would also receive an incentive fee  
13 of 20% of the net profit allocated to each limited partner during the year.

14 20. Beginning in approximately October 2008, the Washington resident invested a total of \$1 million  
15 dollars in Killarney Partners. The resident liquidated a bond fund and transferred the funds to Killarney  
16 Partners.

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

1 *Account Statements Provided to Investors*

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

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

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

16  
17 *2009 Events*

18 25. Beginning in at least 2009, Rodgers failed to fulfill investor requests to withdraw funds from  
19 Ashland Partners. Previously, in 2002, one investor was able to withdraw \$15,000 of his funds and from  
20 2005-2008 another investor withdrew over \$1 million dollars of his funds. However, in January 2009,  
21 one investor notified Rodgers that she wanted to withdraw her account balance. Rodgers talked this  
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1 investor into leaving her funds in the account until the end of the year. In August 2009, another investor  
2 notified Rodgers that she wanted to withdraw her investment funds. Rodgers indicated that he would  
3 honor the request, but soon asked if the investor could limit their withdrawal to half of their funds.  
4 Neither investor had their request to withdraw funds fulfilled.

5 26. The last quarterly statements received by Ashland Partners investors were in either March, June,  
6 September, or December 2009. The March, June and September 2009 statements showed positive  
7 account balances. However, the December 2009 statement that at least one investor received showed the  
8 investment value at zero. Rodgers sent at least one Ashland Partners investor a letter dated September  
9 2010, stating that the performance of the fund in the fourth quarter of 2009 was devastating. Investors  
10 received a Schedule K-1 for 2009 which listed the value of their investment as zero.

11 27. The Killarney Partners investor last received an account statement for the period ending  
12 September 30, 2009, which showed his account value at \$1,140,058. This was the last communication  
13 the resident received regarding his investment in Killarney Partners.

14 28. On December 23, 2009, Ashland Research filed a Form ADV-W in order to withdraw its  
15 investment adviser registration with California. Ashland Research stated that its reason for withdrawal  
16 was that it was no longer located in California, and listed June 1, 2004 as the date it ceased conducting  
17 advisory business in California. In January 2010, California permitted Ashland Research to withdraw its  
18 registration.

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

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

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

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

9 33. In the Ashland Partners Offering Memorandums dated March 1, 2002 and June 2005, and the  
10 Killarney Partners Offering Memorandum, Rodgers represented that in 1998 he started his own  
11 registered investment adviser firm called Brentwood Capital Advisors. Rodgers failed to disclose that in  
12 March 2001 the investment adviser registration for Brentwood Capital Advisors was revoked by the state  
13 of California due to non-payment of renewal fees.

14 34. In the Ashland Partners and Killarney Partners Offering Memorandums, Rodgers represented that  
15 he graduated from the University of Washington in 1985, and earned a bachelor's degree in Society and  
16 Justice. However, the University of Washington Office of the Registrar has no record of a degree earned  
17 by a James T. Rodgers.

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

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

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4 Registration Status

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

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

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

11  
12 Based upon the above Findings of Fact, the following Conclusions of Law are made:

13  
14 **CONCLUSIONS OF LAW**

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

17 2. The offer and/or sale of Killarney Partners limited partnership interests were in violation of RCW  
18 21.20.140 because no registration for such offer and sale is on file with the Securities Administrator.

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

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

6 **FINAL ORDER**

7 Based upon the foregoing and finding it in the public interest:

8  
9 IT IS HEREBY ORDERED that the Respondent James Timothy Rodgers shall cease and desist from  
10 offering or selling securities in violation of RCW 21.20.140, the securities registration section of the  
11 Securities Act of Washington.

12 IT IS FURTHER ORDERED that the Respondent James Timothy Rodgers shall cease and desist  
13 from violation of RCW 21.20.040, the broker-dealer and securities salesperson registration section of the  
14 Securities Act of Washington.

15 IT IS FURTHER ORDERED that the Respondents James Timothy Rodgers and Ashland Partners  
16 L.P. shall each cease and desist from violation of RCW 21.20.010, the anti-fraud section of the  
17 Securities Act of Washington.

18 IT IS FURTHER ORDERED that any future securities registration applications of the Respondent  
19 James Timothy Rodgers as an investment adviser, broker-dealer, investment adviser representative, or  
20 securities salesperson shall be denied.

1 IT IS FURTHER ORDERED that the Respondent James Timothy Rodgers shall be liable for and  
2 shall pay a fine of \$30,000, and the Respondent Ashland Partners L.P. shall be liable for and shall pay a  
3 fine of \$20,000.

4 IT IS FURTHER ORDERED that the Respondents James Timothy Rodgers and Ashland Partners  
5 L.P. shall be liable for and shall pay investigative costs of \$10,000.

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7 **AUTHORITY AND PROCEDURE**

8 This Final Order is entered pursuant to the provisions of RCW 21.20.390 and RCW 21.20.395,  
9 and is subject to the provisions of RCW 21.20.440 and RCW 34.05. The Respondents have the right to  
10 petition the superior court for judicial review of this agency action under the provisions of RCW 34.05.  
11 For the requirements for filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.  
12 Pursuant to RCW 21.20.395, a certified copy of this order may be filed in Superior Court. If so filed, the  
13 clerk shall treat the order in the same manner as a Superior Court judgment as to the fine, and the fine  
14 may be recorded, enforced, or satisfied in like manner.

15  
16 DATED AND ENTERED this 29th day of July, 2014.

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18 By:

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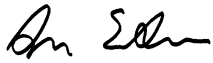
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William M. Beatty  
Securities Administrator

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Approved by:

Reviewed by:



\_\_\_\_\_  
Suzanne Sarason  
Chief of Enforcement

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Robert Kondrat  
Financial Legal Examiner Supervisor

Presented by:



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Bridgett Fisher  
Financial Legal Examiner