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**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT**

2008 JUL 18 A 3:57

NO. 2006004949202

REGISTRATION & DISCLOSURE

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Rebecca L. Engle, Respondent
General Securities Representative
CRD No. 1241419

Pursuant to Rule 9216 of FINRA's Code of Procedure, I, Rebecca L. Engle ("Engle" or "Respondent"), submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Engle initially became registered with NASD as a Series 7 general securities representative on or about February 18, 1984. Subsequently, Engle obtained Series 63 and 65 licenses. Engle has been associated with various FINRA member firms since her initial registration, including most recently Capital Growth Financial, LLC ("CGF") and VSR Financial Services, Inc. Engle was associated with CGF from September 2002 through May 2006, after which she was associated with VSR Financial Services, Inc. until February 9, 2007.

Engle is not currently associated with any FINRA member firm, but is still within the jurisdiction of FINRA pursuant to Article V, Section 4 of FINRA's By-Laws. Engle was last associated with VSR Financial Services, Inc. where her employment was terminated on February 9, 2007. As such, jurisdiction over Engle expires on February 8, 2009, which is two years after the date that Engle was last associated with a FINRA member firm. Engle has no prior disciplinary history.

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SUMMARY

Between September 2002 and the spring of 2006, Engle, while associated with CGF, made unsuitable recommendations to twelve customers when she recommended that they invest in various private securities offerings involving two issuers, namely, American Capital Corporation ("ACC") and Royal Palm Capital Group ("Royal Palm") (collectively the "Companies"). In addition, to induce the purchase of such securities, Engle engaged in manipulative, deceptive or other fraudulent devices when she failed to disclose material facts to her customers.

FACTS AND VIOLATIVE CONDUCT

At various times between September 2002 and the spring of 2006, Engle recommended that twelve of her customers invest in private securities offerings in ACC and Royal Palm, without having reasonable grounds for believing that such transactions were suitable for these customers in view of their financial situations, investment objectives and financial needs. As set forth in the private offering documents: a) there was no public market for the ACC or Royal Palm securities; b) the ability of the Companies to pay interest and repay principal was questionable; c) the Companies were in the development stages and the future was uncertain; and d) the purchase of the securities was not suitable for investors who were not capable of sustaining a total loss of their investment.

The customers who purchased the securities of ACC and Royal Palm, based upon Engle's recommendations, were generally longstanding clients of Engle and her business partner, who was also involved in the recommendations and misrepresentations. These customers shared many of the following characteristics: a) they were elderly and retired; b) prior to retirement they had been farmers and had little or no formal education beyond high school; c) they were primarily conservative investors who sought to generate income from their investments; d) they had never before invested in a private placement and, in fact, were unaware of what a private placement was; and e) they placed a high degree of trust in Engle and relied primarily if not entirely on Engle's representations with respect to the recommended investments.

In recommending the foregoing transactions to her customers, Engle failed to disclose material facts that demonstrated the risks and true financial condition of ACC and Royal Palm even though she had knowledge of such facts. Specifically, Engle maintained a close relationship with the Board of Directors and management of ACC and Royal Palm. In fact, between July 2003 and July 2004 Engle served on the ACC board, and in January 2006, Engle's business partner became the Chief Executive Officer of Royal Palm. As such, throughout some of the time period that Engle was recommending that her customers invest in ACC and Royal Palm, she was aware of the struggling financial condition of ACC and Royal Palm including, but not limited to, the fact that ACC and Royal Palm were using funds from new investments to satisfy obligations to prior investors. Notwithstanding the foregoing, Engle continued to recommend the purchase

of securities in ACC and Royal Palm to her customers and failed to disclose the significant risks associated with such purchases.

Based on the foregoing, Respondent Engle violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and NASD Conduct Rules 2120, 2310 and 2110 and IM-2310-2.

B. I also consent to the imposition of the following sanctions:

A bar from association with any FINRA member in any capacity.

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to IM-8310-2(f), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See NASD Rule 8310 and IM-8310-1.)

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against me;
- B. To be notified of the Formal Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

I understand that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to Rule 9216 under the FINRA Code of Procedure;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; and
 - 4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is

inconsistent with any part of this AWC. Nothing in this provision affects my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

6/2008
Date

[Signature]
Rebecca L. Engle

Accepted by FINRA:

7/17/08
Date

Signed on behalf of the
Director of ODA, by delegated authority

[Signature]
Brian D. Donnelly
Senior Regional Attorney
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