

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011025769301**

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

RE: Accelerated Capital Group
Member Firm
CRD No. 41270

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Accelerated Capital Group ("ACG" or "Respondent") submits 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 it alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, 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

Accelerated Capital Group (ACG), formerly known as Mark Stewart Securities, has been a FINRA member since March 1997. The Firm is based in Irvine, California, currently has approximately 33 registered representatives, and is authorized to conduct a general securities business. The Firm has no relevant disciplinary history.

OVERVIEW

From approximately October 2010 through May 2011, ACG's website included fabricated testimonials and a graphic that incorrectly suggested the Firm had worldwide offices. Two ACG representatives also maintained business related websites that included exaggerated and unwarranted representations.

During the same period, ACG's efforts were primarily devoted to marketing certain private offerings. In furtherance of those efforts, several representatives sent potential investors copies of Power Point presentations that contained

inadequate risk disclosures, impermissible performance projections and misleading statements.

From April 19, 2012, ACG participated in a contingent offering involving the sale of units in an entity that owned Facebook shares. Rather than depositing proceeds in a properly designated bank escrow account, investor funds were deposited into an attorney's client trust account.

ACG violated the standards set forth in NASD Rule 2210 and FINRA Rule 2010, failed to establish a proper escrow account in violation of Exchange Act Rule 15c2-4 and FINRA Rule 2010, failed to have an adequate supervisory system and procedures and failed to enforce its written supervisory procedures in violation of NASD Rule 3010 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

A. The Advertising and Related Supervision Violations

1. The Firm's Website

From October 2010 through mid-May 2011, ACG's website included four testimonials. For example, one testimonial stated:

My husband and I have been looking for sound and secure investments for years and looked at many. We even flew to Ocala Florida from Los Angeles California to look at an investment, as it turned out, sounded better than it looked. Many disappointments followed. A good friend of ours came to our office to meet with us. We were impressed with the information that we were given and the quality of the investments and company itself. Our 401k's were turning into 201k's, then 101k's and that is not okay!

We rolled over our 401k's to [sic] with the help of Accelerated Capital Group and their investment partner which will bring us greater returns then [sic] we ever even imagined. Our retirement seems so much more secure now. Now we have better control of our money and great peace of mind. The management team that leads the investment group is a first class group of individuals that we are excited to have as our partners

All of the testimonials were fabricated; none of the individuals ever had accounts at ACG. One of the testimonials was from an individual who owned a majority interest in the Firm, but his ownership interest was not disclosed. Moreover, none of the testimonials included a representation that the statements might not be representative of the experience of others nor was there a representation that the testimonials were not a guarantee of future success.

ACG's website also contained a world map graphic that suggested the Firm had offices in New York, South America, Europe, Asia, and Australia. At the time, the Firm had two offices; one in Orange County, California and a second in Scottsdale, Arizona.

ACG's website also suggested the Firm would be expanding rapidly. It stated:

Join ACG Today! We are Growing and Hiring!

ACG is looking for 250 great financial advisors and financial practices primarily in the Western United States

The Firm omitted to state that its Membership Agreement (dated May 17, 2005) limited the Firm to twenty associated persons who have direct contact with customers.

2. The Registered Representatives' Websites

a. Blue Crown Financial

Two ACG representatives created their own personal websites. The first (bluecrownfinancial.com), from a representative who attempted to do business under the name Blue Crown Financial, took much of the text from the Firm's website including all of the phony testimonials. But the site also had unique content. Its opening page stated:

Blue Crown Financial, a subsidiary of ACG[,] is an investment firm providing full service advice and special products to our clients. As an independent firm, we are always focused on the client and providing a higher level of thinking based on our slogan 'Invest Forward'

A website page, under the heading "Who we are," stated:

Blue Crown Financial, a subsidiary of Accelerated Capital Group (ACG), is a leading independent full service financial services firm.

A third page, under the heading "What Set Us Apart" stated:

Blue Crown Financial consistently brings to the market, unique and special investments that are often unavailable through any other firm

In fact, Blue Crown Financial was not an "investment firm" nor was it a "subsidiary of Accelerated Capital Group" that offered "special investments" that were otherwise unavailable. It was simply a name under which an ACG representative attempted to do business during the limited time he was associated with the Firm.

b. The Pear Model

A second website (pearmodel.com) was created by another former ACG representative who devoted the site to his investment strategy which he called "The Personal Pension Plan."

The website's opening page stated:

**There is no need to wait for Congress!
You can start today by considering a
Powerful and smart alternative to
senseless buy-and-hold advice!!**

**We have copied a successful and proven
Corporate investment model that is the
Diametrical opposite of typical Wall Street
advice. It provides the highest possible
degree of safety and profitability, coupled
with unmatched guarantees. It grows wealth
by design, not by chance. We call it The
Personal Pension Plan™ With
IncomePlus™ and it may be the ultimate
strategy for most individual investors**

The website's references to "the highest possible degree of safety and profitability" were exaggerated and unwarranted as was the reference to "unmatched guarantees." Moreover, the website did not provide a potential investor with any basis to weigh the risks and benefits of "The Person Pension Plan With IncomePlus." Indeed, naming the strategy "The Personal Pension Plan" was misleading; the investment program was not a pension.

3. The Power Point Presentations

From 2010 through mid-2012, ACG offered and sold investment interests in several entities including Castle Arch Opportunity Partners II ("CAOPII"), Clear Peak Energy, Inc. ("CPE") and Western Credit Service Company, LLC ("WCSC"). CAOPII was a distressed real estate fund. CPE was a start-up entity that was attempting to raise working capital to support its operations and ongoing plans to build, own, and operate solar electric power plants. WCSC is a payday lender. All of these private offerings were speculative and illiquid investments in startup companies, and available only to accredited investors.

Each of the issuers made a power point presentation to the ACG representatives. ACG made the power point slides available to its representatives, who, in turn, emailed copies of the presentations to potential investors.

The CAOPII and CPE power point slides were replete with exaggerated and unwarranted performance predications. The CAOPII presentation included a slide entitled "Opportunity Partners | Investment Highlights" that contained the following two bullet points

- Estimated ROI of 15% - 30% per investment cycle
- Projected return of principal in 6 months

The following slide in the CAOPII presentation, entitled "Opportunity Partners | Details" contained this bullet point:

- Investor returns;
 - 15% APR
 - And
 - 25% of adjusted net profits (*see Pro Forma*)

Similarly, the CPE presentation included a slide entitled “Financial Model” that proclaimed:

- Current model forecasts stock price of \$17-\$25 in 5 years
 - Conservatively based only on 250MW
 - Does not include plants/production beyond the first 250MW

A two-page issuer generated “Fact Sheet” for the CPE Offering was also sent to potential investors. It proclaimed:

Clear Peak intends to sell power to public utilities as an Independent Power Producer (IPP) through long-term Power Purchase Agreements (PPA's) with the utilities and use government incentives to leverage shareholder investment in plant development. The solar PV power plants completed by 2012 are expected to generate over \$1.2 billion in revenues.

4. Supervisory Procedures Relevant to Advertising

ACG’s written supervisory procedures had a section entitled “Communications with the Public” which quoted NASD Rule 2210(a) (which defines “Advertising” to include websites). But the Firm had no procedures that addressed: (i) approval of the Firm’s website; (ii) whether representatives could maintain personal business-related websites; and (iii) the review and approval of representatives’ websites.

B. The Escrow and Related Supervisory Violation

From April 19, 2012 through May 1, 2012, ACG sold membership units in TFB AZ, LLC (“TFB”) to accredited investors on a best efforts, minimum/maximum basis with a \$2,010,000 (50,000 units at \$40.20 per unit) minimum and \$4,020,000 (100,000 units at \$40.20 per unit) maximum. TFB was created to purchase units in an entity which owned Class B shares of Facebook common stock. By May 1, 2012, the Firm sold the maximum 100,000 units.

The Firm’s Written Supervisory Procedures provided that funds raised in a contingency offering would be promptly transmitted to a properly designated escrow account at a bank in accordance with Exchange Act Rule 15c2-4. But rather than depositing investor funds in an escrow account at a bank as Rule 15c2-4 and the Firm’s procedures required, ACG caused investor funds to be deposited into the client trust account held by TFB’s attorney.

C. The Specific Rule Violations

1. Advertising

NASD Rule 2210¹ addresses FINRA member communications with the public and includes certain content standards that apply to all member communications, as well as standards that apply specifically to “advertisements” and “sales literature.”

“Advertisement” generally refers to communications made available to the public through media such as radio, television, newspapers, magazines, billboards and websites.

“Sales literature” generally refers to communications made to a more targeted audience, which do not meet the definition of an advertisement, including circulars, research reports, market letters, form letters, seminar texts, and telemarketing scripts.

In April 2010, FINRA issued Regulatory Notice 10-22 and reminded members that Rule 2210 applies to communications about private placements. It stated, “[s]ales literature concerning a private placement that a BD distributes will generally be deemed to constitute a communication by the BD with the public, whether or not the BD assisted in its preparation.”

NASD Rule 2210 (d)(1) provides in relevant part that all such communications:

- (A) [S]hall be based on principals of fair dealing and good faith, must be fair and balanced, and must provide a sound basis for evaluating the facts in regard to any particular security or type of security No member may omit any material fact or qualification if the omission, in the light of the context of the material presented, would cause the communication to be misleading.
- (B) No member may make any false, exaggerated, unwarranted or misleading statement or claim in any communications with the public. No member may publish, circulate or distribute any public communications that the member knows or has reason to know contains any untrue statement of a material fact or is otherwise false or misleading.

¹ On March 29, 2012, the Commission approved new FINRA rules governing communications with the public, which became effective February 4, 2013. *See generally FINRA Regulatory Notice 12-29*, 2012 FINRA LEXIS 36 (June 2012). New FINRA Rule 2210 encompasses, subject to certain changes, the provisions of the previous NASD Rule 2210 and certain interpretative materials. *Id.* at *6. Because the relevant conduct here occurred prior to February 4, 2013, all references are to the prior NASD Rule.

- ...
- (D) Communications with the public may not predict or project performance . . . or make any exaggerated or unwarranted claim, opinion or forecast.

NASD Rule 2210(d)(2) also includes specific rules for testimonials that address investment advice or investment performance. They must prominently disclose: (i) "the fact that the testimonial may not be representative of the experience of other clients" and (ii) "the fact that the testimonial is no guarantee of future performance or success."

ACG violated NASD Rules 2210(d)(1) and 2210(d)(2) and FINRA Rule 2010 because: (i) its website contained misleading information including fabricated testimonials; (ii) two of its representatives maintained business-related websites that contained false, misleading, exaggerated and promissory statements; and (iii) its representatives disseminated power point slides to investors that were unbalanced, failed to present a sound basis for evaluating the offered investment, and violated the proscriptions against exaggerated performance predictions and unwarranted performance claims and forecasts.

2. Escrow

ACG violated Exchange Act Rule 15c2-4 and FINRA Rule 2010 by participating in a contingency offering and failing to ensure that investor funds were deposited into a properly designated escrow account at a bank.

3. Supervision

Rule 3010(a) requires FINRA member firms to establish and maintain a supervisory system to supervise the activities of each registered representative that is reasonably designed to achieve compliance with the federal securities laws and FINRA Rules.

Rule 3010(b) requires a firm to memorialize its supervisory system in writing and to enforce its written procedures. It states:

Each member shall establish, maintain, and enforce written procedures to supervise the types of business in which it engages and to supervise the activities of registered representatives . . . that are reasonably designed to achieve compliance with applicable securities laws and regulations, and with the applicable Rules of NASD.

ACG violated NASD Conduct Rule 3010 and FINRA Rule 2010 by: (i) failing to have any system or procedures applicable to the review and approval of websites including procedures that addressed whether they would be permitted, who would

be responsible for their review and approval, and how that approval would be documented; and (ii) failing to enforce its own written supervisory procedures addressing compliance with Exchange Act Rule 15c2-4.

OTHER FACTORS

- B. Respondent also consents to the imposition of the following sanctions:

A censure and a \$32,500.00 fine.

Respondent agrees to pay the monetary sanctions upon notice that this AWC has been accepted and that such payment(s) are due and payable. Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent specifically and voluntarily waive any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against it;
- B. To be notified of the 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, Respondent specifically and voluntarily waives 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.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA 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

Respondent understands 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 FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against it; and
- C. If accepted:
 - 1. this AWC will become part of the Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against it;
 - 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 FINRA Rule 8313; and
 - 4. Respondent 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. It 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 Respondent's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct.

Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that it has 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 the Firm to submit it.

12/30/2013
Date (mm/dd/yyyy)

By: Wayne Müller
Wayne Müller, President
Accelerated Capital Group

Reviewed by:

Brian Lebrecht
Brian Lebrecht, Esq.
Counsel for Respondent
Clyde Snow & Sessions
4695 MacArthur Ct.
Newport Beach, CA 92660

Accepted by FINRA:

1/7/2014
Date

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

Joel Kornfeld
Joel T. Kornfeld
Senior Regional Counsel
FINRA Department of Enforcement
300 S. Grand Avenue, Suite 1600
Los Angeles, CA 90071
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ACCELERATED CAPITAL GROUP

December 30, 2013

Via Overnight Delivery

Joel T. Kornfeld
Senior Regional Counsel
FINRA Department of Enforcement
300 S. Grand Avenue, Suite 1600
Los Angeles, CA 90071

**Re: Accelerated Capital Group's Corrective Action Statement,
Matter No. 2011025769301**

Dear Mr. Kornfeld:

The purpose of this correspondence is to advise FINRA of corrective action that Accelerated Capital Group ("ACG" or "Respondent") has undertaken in an effort to prevent any recurrence of the alleged rule violations detailed in the Letter of Acceptance, Waiver and Consent ("AWC"), Matter No. 2011025769301. This Corrective Action Statement is submitted by the Respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the view of FINRA, or its staff.

A. The Advertising and Related Supervision Violations

1. The Firm's Website

In order to ensure future compliance with applicable FINRA rules, ACG has contracted with www.advisorwebsites.com to build and host its website located at www.acceleratedcg.com. The current version of the website was previously submitted to FINRA's advertising department for review and comments. After receiving FINRA's comments, ACG made all changes recommended by FINRA before making the website public.

ACG's website is now maintained by its President, Wayne Miiller, who oversees and controls changes to the website's content. ACG does not anticipate making any material changes to the message of the website, but plans to make future adjustments to personnel listings based on representative and employee turnover as needed. If material changes to the website's message are prepared, those changes will be submitted to FINRA's advertising department for comment before they are implemented.

Wayne Miiller
President
Accelerated Capital Group
MEMBER FINRA/SIPC
{00471247-2 }

Accelerated Capital Group, Inc. | 7154 East Stetson Drive #210-B
Scottsdale, AZ 85251
Phone: 602.770.9809 Fax: 949.313.1211



ACCELERATED CAPITAL GROUP

At this time, there are no testimonials on ACG's website, and the only map on the site is based on ACG's physical office location in Irvine, CA.

2. The Registered Representatives' Websites

In an effort to provide clarification to its registered representatives and to ensure future compliance with applicable FINRA rules, ACG has adopted the following addendum to its Written Supervisory Procedures (WSPs). This addendum makes clear that registered representatives are allowed to maintain "doing business as" websites and articulates the steps ACG will undertake to ensure that those websites are in compliance with the applicable FINRA rules. This addendum is found on page 47 of ACG's WSPs:

"Registered Rep Websites

ACG will permit registered reps to publish their own DBA websites subject to the following procedures.

- Prior to posting any website, all registered reps will provide the CCO with an HTML copy of each website for review.
- ACG will submit ALL websites to the FINRA Advertising Department for review prior to posting.
- The website is reviewed and authorized by FINRA, a copy of the final website will be printed out and signed off on by the CCO and maintained in the Advertising File.

ACG will conduct random checks of RR websites no less than quarterly to review for changes."

3. The Power Point Presentations

To ensure future compliance with applicable FINRA rules, ACG will only use marketing materials that are accompanied by FINRA review letters provided by the issuing product sponsor. A Principal of ACG will also review the materials for compliance before they are released to ACG's registered representatives for use and dissemination. Power point presentations, associated materials and the accompany FINRA review letters will be maintained in electronic and/or physical format at ACG's offices.

4. Supervision Procedures Relevant to Advertising

As discussed above in section A.1, ACG has adopted an addendum to its WSPs that governs the use of registered representatives' websites. With regard to its own website, ACG has adopted the following addendum to its WSPs:

"The Firm website shall be submitted to FINRA for material review. Upon receipt of FINRA feedback, the Firm shall either make the recommended changes, or continue its correspondence with FINRA advertising until both parties are satisfied the Firm Website is a fair and balanced



ACCELERATED CAPITAL GROUP

representation of the Firm and its services. The web administrator may make personnel or other non-material changes to the site on an as needed basis.”

ACG is confident these addendums to its WSPs will foster a company-wide understanding of ACG’s expectations with respect to the use and dissemination of advertising materials and will help ensure that these materials remain in compliance with the applicable FINRA rules.

B. The Escrow and Related Supervisory Violation

As noted in the AWC, ACG had policies and procedures that were designed to ensure compliance with Exchange Act Rule 15c2-4 at the time in question. It is ACG’s position that the primary purpose of this rule is to prevent the misappropriation of investors’ funds raised during contingency offerings. In this particular instance, no investors were harmed and all investor capital was used as promised even though human error resulted in a technical violation of Rule 15c2-4.

With respect to the incident in question, ACG utilized the services of an independent law firm, The Lebrecht Group, APLC, as its escrow agent in the contingent TFB AZ, LLC offering. The firm has acknowledged the oversight in using its client trust account, as opposed to a TFB specific third-party escrow account, while gathering investors’ funds for this contingent offering.

ACG’s management also acknowledges that they failed to recognize this technical violation and are committed to ensuring that this oversight is not repeated. Going forward, this AWC will serve as a staunch reminder of the importance of using dedicated escrow accounts to hold investor funds during contingent offerings. ACG is dedicated to ongoing training of its Principals through, among other things, FINRA-provided materials and seminars. ACG believes that the AWC, in conjunction with occasional reminders provided through continuing training and education, is adequate to ensure future compliance with its WSPs and Rule 15c2-4.

ACCELERATED CAPITAL GROUP

A handwritten signature in black ink, appearing to read "Wayne Müller", is written over a horizontal line.

Wayne Müller, President

Wayne Müller
President
Accelerated Capital Group
MEMBER FINRA/SIPC
{00471247-2 }

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