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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

ALVIN R. BROWN, FIRST CHOICE INVESTMENT, INC., and ADVANCED CORPORATE ENTERPRISES, INC. d/b/a A-CORP ENTERPRISES a/k/a ACORP DEVELOPMENT a/k/a A-CORP INVESTMENT,

Defendants.

Case No. CV 13-01629-ABC (VBKx)

COMPLAINT

Plaintiff Securities and Exchange Commission ("Commission") alleges as follows:

SUMMARY

1. This case concerns an offering fraud and Ponzi-like scheme involving two securities offerings by Defendants First Choice Investment, Inc. ("FCI") and Advanced Corporate Enterprises, Inc. ("ACorp"), orchestrated by their principal Alvin R. Brown ("Brown"), as well as the misappropriation and misuse of offering

proceeds. The Commission brings this action to halt this ongoing fraudulent scheme and misappropriation of investor funds.

2. Both offerings were for what Defendants claimed would be investments in real estate. The most recent offering, FCI, began in January 2011 and continues today. So far, Brown and FCI have raised over $1.2 million by fraudulently offering and selling FCI's securities to investors nationwide. FCI continues to solicit investors and received investor funds as recently as February 2013. Brown and FCI have lured investors by falsely promising 10% annual returns and a planned initial public offering ("IPO") at the end of 2012 that would net investors 150% of their initial investment. The promised IPO and accompanying returns have not materialized. And as recently as January 2013, Brown has used investor funds to make Ponzi-like payments to pre-existing FCI investors.

3. The ACorp offering primarily took place from approximately February 2005 to at least March 2010. During that time, Brown and ACorp fraudulently raised at least $1.93 million from investors nationwide. To attract investors, Brown and ACorp falsely represented that the offering was registered with the Commission, falsely promised high returns and investment safety, and enticed existing investors into investing yet more money through a phony "re-allocation" program in which an institutional investor would purportedly purchase investor shares at a premium. But instead of paying the promised returns, Brown and ACorp misappropriated the offering proceeds.

4. Neither one of the offerings was registered with the Commission. For both offerings, Brown, FCI, and ACorp solicited investors through the companies' websites, cold calls, and emails to potential investors. Each offering was accompanied by a private placement memorandum, or "PPM." Defendants made their various misrepresentations about the offerings in these solicitation efforts and in the PPMs, and never disclosed the misappropriation and misuse of offering

proceeds. Brown himself was personally involved in these solicitations efforts and his name appears on the PPMs.

5. There is an ongoing threat that Defendants will continue to violate the securities laws, dissipate investor funds, and imperil investors' interests because (1) FCI's and ACorp's websites continue to solicit investors, (2) investors have invested in FCI as recently as January and February 2013; and (3) Brown has used investor money to make Ponzi-like payments to pre-existing FCI investors in January 2013.

6. By engaging in this conduct, Defendants have violated, and unless enjoined, will continue to violate, the antifraud provisions of the federal securities laws. Therefore, with this action, the Commission seeks emergency relief against the Defendants, including a temporary restraining order, an asset freeze, accountings, expedited discovery, an order prohibiting the destruction of documents, and the appointment of a receiver over FCI and ACorp (and their affiliates and subsidiaries, if any). The Commission also seeks preliminary and permanent injunctions, disgorgement with prejudgment interest and civil penalties against Defendants.

JURISDICTION AND VENUE

7. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1) and 22(a) of the Securities Act of 1933 ("Securities Act"),15 U.S.C. §§ 77t(b), 77t(d)(1) & 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27 of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §§ 78u(d)(1), 78u(d)(3)(A), 78u(e) & 78aa.

8. Defendants Brown, FCI, and ACorp have, directly or indirectly, made use of the means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange in connection with the transactions, acts, practices and courses of business alleged in this Complaint.

9. Venue is proper in this district pursuant to Section 22(a) of the Securities Act, 15 U.S.C. § 77v(a), and Section 27 of the Exchange Act, 15 U.S.C. § 78aa, because certain of the transactions, acts, practices and courses of conduct constituting violations of the federal securities laws occurred within this district. In addition, venue is proper in this district because FCI's and ACorp's principal places of business are in this district and Brown resides in this district.

DEFENDANTS

10. **Alvin R. Brown**, age 57, is a resident of Redondo Beach, California. Brown is FCI's CEO and president, and he is ACorp's chairman, CEO, and CFO. Brown controls the operations of FCI and ACorp.

11. **First Choice Investment, Inc.** is a Nevada corporation with its principal place of business in Redondo Beach, California.

12. **Advanced Corporate Enterprises, Inc.** (d/b/a A-Corp Enterprises; a/k/a ACorp Development; a/k/a A-Corp Investment) is a California corporation with its principal place of business in Redondo Beach, California.

STATEMENT OF FACTS

A. The ACorp Offering and Fraudulent Scheme

1. The ACorp Offering Terms and Solicitation of ACorp Investors

13. From February 2005 through at least March 2010, ACorp and Brown raised at least $1.93 million from approximately 77 investors nationwide through an offering of common stock in ACorp. In exchange for the investment in ACorp, investors sent checks payable to ACorp or wired funds directly.

14. ACorp's PPM, which was first distributed in March 2005 and updated in January 2008, stated that the company "was formed to be a provider of real estate equity and bridge financing, rental income properties and speculative 2-on-lot-homes, for residents and businesses in Southern California."

15. The initial ACorp offering was for $5 million, consisting of a maximum of 10 million shares at $0.50 per share. The minimum investment was

$25,000. In January 2007, the offer was extended to 20 million shares. In January 2008, the price per share was raised to $1.00 per share.

16. Notwithstanding the terms of the offering, ACorp accepted investments of less than the $25,000 minimum, and some ACorp investors paid $0.75 or $0.85 per share.

17. To solicit investors, Brown and ACorp's salespeople "cold called" potential investors nationwide. Brown and ACorp's salespeople also sent offering and marketing materials to potential investors and called the potential investors to complete the sale. The offering and marketing materials sent to potential investors included the PPM, an executive summary, brochures, newsletters, a list of real estate development projects, an "expected return potential" chart, and an annual dividend chart.

18. Brown and ACorp also solicited investors through ACorp's websites, www.acorpdevelopment.com and www.acorpenterprises.com.

19. The ACorp offering was never registered with the Commission. ACorp's PPM claimed the offering was exempt from registration under Sections 4(2), 4(6), 18(b)(3), and 18(b)(4)(D) of the Securities Act and Rule 506 of Regulation D. The only filing ACorp made with the Commission was a May 2005 Form D claiming a Rule 506 exemption. However, ACorp's offering was not exempt from registration.

20. As of February 13, 2013, ACorp's website was active and soliciting investments. For example, ACorp solicits broker interest on its website and notes, "If you have a pool of investors with funds in excess of US $250,000 or the equivalent and want to invest with a company of repute and integrity while achieving Rates of Return exceeding 50% in 9-24 months, we would love to hear from you."

2. Misappropriation of Investor Funds

21. Brown misappropriated funds raised through the ACorp offering for

his own personal benefit.

22. Of the approximately $1.93 million raised in the ACorp offering, Brown misappropriated at least $325,000, or nearly 17%, through cash withdrawals from ACorp's accounts. Nearly all of this money came directly from investor funds.

23. Brown misappropriated another $972,867, or over 50% of the money raised, by wiring that money to a Canadian-based health-food supplement distributor with no apparent connection to the real estate business or to ACorp.

24. On a monthly basis, Brown used the vast majority of the funds deposited in each ACorp-affiliated account and carried relatively small balances in them. For the period of June 1, 2009 through May 30, 2010, the average monthly deposit was $41,593 and the average closing balance per month was $1,780.

3. ACorp's Misstatements and Omissions of Material Fact

a. Misuse and Misappropriation of Investor Funds

25. ACorp's PPM represented that three-quarters of investor funds would be allocated to working capital and that the remainder of investor funds would be used to cover costs.

26. This representation of material fact was false. It does not appear that ACorp generated any revenue from real estate activities. Moreover, as alleged above, investor proceeds from the ACorp offering were either wired to a Canadian-based company or withdrawn by Brown for his personal use. In fact, nearly all of the funds that were wired to the Canadian company were later withdrawn by the Canadian company's principal in cash.

27. Brown and ACorp did not disclose this misuse and misappropriation of investor proceeds to ACorp's investors in the offering materials.

b. False Promises of High Returns and Investment Safety

28. Both orally and in writing, ACorp and Brown represented to potential investors that they could expect extremely high returns on their investments.

Brown told potential investors that they could make a profit of three to five times the size of their investment in ACorp. Other ACorp salespeople told potential investors that ACorp planned to go public and that once ACorp was publicly traded, they could expect high returns and ACorp's shares would trade at a price of $10 to $40.

29. In addition, ACorp sent marketing materials that listed six residential real estate projects allegedly valued at $266.7 million, and that stated these projects were "on the books" and would "come to fruition with the next 24 to 36 months," with a 37% profit margin. Similarly, ACorp sent a newsletter to investors that stated the company was taking advantage of the real estate downturn to buy properties and that a current real estate development project would yield gross profit margins of 50%.

30. ACorp also sent investors marketing materials stating that investors could expect dividends of 3% to 10% depending on how much money they invested. These same marketing materials represented that both the investment and the return on investment was guaranteed :

> The shareholder investment is guaranteed by the assets of the corporation. We also have a collateralized deed of trust for any major investors at the minimum investment of $100,000 U.S. guaranteeing their annual return.

(Emphasis in original.)

31. These representations of material fact were false and misleading. The ACorp investors did not receive any return on their investments. ACorp never went public and its stock was never publicly traded. And as alleged above, it does not appear that ACorp generated any revenue from real estate activities.

32. Moreover, investors made repeated attempts to get their original investment back to no avail. One ACorp salesperson told an investor that he could not get his money back because of the Commission's investigation.

c. False Representations on ACorp's Website

33. In addition, ACorp's website falsely implied that ACorp had received approval from the SEC and various other organizations. ACorp's website contained an "Investor's Lounge" section that stated that "[t]his is where you can access updated information regarding our new projects." Immediately below this text, ACorp's website prominently displayed the SEC's official seal, a purported link to the SEC's website, and text regarding, among other things, the SEC's mission to protect investors.

34. Directly under the SEC's seal, ACorp's website repeated the same pattern with the seals or logos, website links, and text about several other organizations including the State of California, the NYSE, NASDAQ, and the Better Business Bureau.

35. Similarly, in emails to investors, ACorp misrepresented that had it had registered with the Commission. ACorp's email to investors stated:

> The following two links were taken from the Securities and Exchange Commission to show you our full registration and regulatory documents to raise capital.
>
> **(a.)** http://www.dos.state.ny.us/info/register/2005/sep7/pdfs/Securities/pdf
>
> **(b.)** http://www.sec.gov/edgar/NYU/cik.coleft.c
>
> Review the attached documents and you'll clearly see that this is a great company with an impeccable reputation in the Real Estate sector."

36. These statements of material fact on ACorp's website and emails regarding the Commission were misleading. Despite the clear implication in the website and in the ACorp email to investors, ACorp's offering was not registered with the Commission. Its only filing was a May 2005 Form D claiming a Rule 506 exemption.

d. ACorp's Phony "Re-Allocation" Programs

37. Starting in late 2007 and 2008, ACorp's salespeople contacted existing investors to solicit their participation in a phony "Re-allocation program." ACorp's salespeople told investors that they could have their shares "re-allocated" to an institutional investor who would pay $1.50 per share. In order to participate, ACorp's salespeople told investors that they had to own a certain number of shares, which varied anywhere from 50,000 to 100,000 shares. Relying on these misrepresentations, investors purchased additional shares. ACorp's salespeople told investors that the re-allocation would take place in three or four weeks. In fact, the re-allocation never happened.

38. In late 2009 and in 2010, ACorp's salespeople approached existing investors with another re-allocation program. ACorp's salespeople told investors that this time they would need to own 75,000 or 100,000 shares and that 50,000 of these shares could be re-allocated at $1.75 per share. ACorp's salespeople also told the investors that participating in the re-allocation program would allow them to recover most of their investment. ACorp never returned any money to investors from this re-allocation program.

B. <u>The Ongoing FCI Offering and Fraudulent Scheme</u>

1. The FCI Offering Terms and Solicitation of FCI Investors

39. ACorp and Brown continued to raise money from investors in the ACorp offering through about March 2010. After that offering was apparently completed (although ACorp's website continues to claim it is seeking investors), Brown orchestrated yet another fraudulent offering with FCI. This offering is ongoing.

40. From January 2011 through the present, FCI raised over $1.2 million from investors nationwide through the sale of FCI "corporate notes" with a 12-month term allegedly paying annual returns ranging from 10% to 18% in quarterly installments.

41. Like ACorp, FCI was represented as a real estate investment opportunity. FCI's PPM, which is dated September 2011, represented that FCI was formed to invest in distressed residential properties in California and other western states and to secure a stable source of rental income from those properties derived from renters receiving government subsidies. FCI's PPM also represented that the company's "current opportunity is to take advantage of historically low housing prices, the availability of foreclosed assets in stable neighborhoods and consistent rental income provided by the US Government subsidy programs."

42. FCI told investors that they could convert the FCI corporate notes into FCI common stock at $0.10 a share before FCI was taken public. According to the offering materials, if investors chose to convert their notes they would still receive quarterly distributions until FCI traded on the open market.

43. According to FCI's PPM, FCI's ongoing offering seeks to raise $5 million, consisting of a maximum of 50 million shares of common stock at $0.10 per share. The minimum investment is $2,500. Notwithstanding FCI's PPM, it appears that FCI's investors received a security called a "corporate note."

44. To solicit investors, FCI and Brown created a website, www.first--choice.com, which provided potential investors with various marketing materials. FCI, Brown, and FCI's website provided additional offering and marketing materials for potential investors, including, among other things, a PPM, news articles about real estate, a corporate summary, a corporate note term sheet, corporate note documentation, a business plan, and an investor presentation.

45. Brown also directly solicited investors through cold calling and follow-up sales calls. Brown emailed FCI offering and marketing materials to investors.

46. Like the ACorp offering, the FCI offering has never been registered with the Commission. FCI's PPM claimed the offering was exempt from registration under Sections 4(2) of the Securities Act and Rule 506 of Regulation

D. However, FCI's offering is not exempt from registration.

47. As of February 13, 2013, FCI's website was still active and announced: "10% Annual Return Paid Quarterly...and First--Choice is about to Go Public very shortly!" The website also contained a welcome area and Executive Summary that states: "[t]he Company is currently in the process of raising capital of $35 million ... [and] plans to move into the public market by year end 2012...."

2. Defendants' Ponzi-Like Payments and Misappropriation

48. In January 2013, an FCI bank account received at least $225,000 from FCI investors. Brown used at least $88,000 of these funds to make Ponzi-like payments of principal and returns to certain existing FCI investors.

49. Brown routinely misappropriated funds received from FCI investors. For example:

(a) In March 2011, an FCI bank account received $14,975 in investor funds. On that same day, Brown withdrew $5,250 in cash, nearly all of which were investor funds.

(b) In May 2011, an FCI bank account received $45,000 in investor funds. The next day, Brown withdrew $15,750 in cash, nearly all of which were investor funds. Later that same month, Brown misappropriated over $4,200 in additional investor funds.

(c) In June 2011, an FCI bank account received $19,975 in investor funds. The next day, Brown withdrew $12,000 in cash, at least $10,000 of which were investor funds.

50. On a monthly basis, Brown used the vast majority of the funds deposited in each account and carried relatively small balances in them: for the period from February 3, 2011 through January 31, 2013, the average monthly deposit was $101,423 and the average closing balance per month was $14,424. Brown and FCI have incurred bank fees for insufficient funds and overdrafts totaling at least $1,326. In January 2013 alone, Brown and FCI were assessed such

fees on nine separate occasions.

51. Because Brown routinely drains FCI's bank accounts each month, Brown and FCI have relied on capital infusions from business cash advance providers – essentially, lenders of last resort – to keep the scheme afloat. During the period April 30, 2012 through January 31, 2013, FCI made payments to at least one cash advance provider every business day.

3. Defendants' Misstatements and Omissions of Material Fact

a. Misuse of Investor Funds

52. FCI's PPM stated that investor funds would "be used to pay the costs of the Offering, general overhead expenses, consulting and management fees, the costs required to establish the marketing and sales/leasing force required to sell the products and services, and for working capital."

53. FCI's "corporate note" term sheet represented that investor funds would be used for purchases of rental properties, company operations, property portfolio management and IPO preparation.

54. FCI also represented to investors, in a document titled "FCI Investor Principal Protection," that a consulting agreement it was entering would "...*give each and every FCI investor a principal protection and a Minimal internal rate of return for 5 years.*" (Emphasis in the original.)

55. These representations to investors of material fact were false and misleading. As alleged above, Brown used significant amounts of proceeds from new FCI investors to make Ponzi-like payments to pre-existing FCI investors, and he withdrew investor funds for his own personal use. Moreover, none of this misuse and misappropriation was disclosed to investors.

b. FCI's False Promises of an IPO and High Returns

56. FCI's marketing materials represented that investors could make a profit five times the size of their investment once FCI went public. FCI's "Investor Presentation" stated that FCI planned to go public at the end of 2012 and that

investors would be offered short-term equity returns and then receive "Major Investor Windfall Profits" and a "150% gain" through FCI's public offering. The "Investor Presentation" also stated: "**$ Market Goes UP and Stock is valued at 10-50 times earnings $.**" (Emphasis in original.)

57. These representations of material fact were false and misleading. Contrary to FCI's representations, FCI did not go public at the end of 2012. Accordingly, investors have not received the windfall profits promised by Brown and FCI in connection with the promised IPO.

c. FCI's Failure to Disclose Brown's Personal Bankruptcies

58. Brown filed Chapter 7 bankruptcy petitions in 2007 and 2010. FCI's PPM and "Investor Presentation" failed to disclose the material fact that Brown had filed these two personal bankruptcy petitions.

59. Instead, FCI's marketing materials falsely touted its management's experience without disclosing these bankruptcies. These materials state that FCI's management has over a hundred years of combined experience in affordable housing and that the "senior management team is highly experienced in building companies, managing staff, developing corporate strategy, and advising on corporate financial analysis."

C. Brown's Role in the Fraudulent ACorp and FCI Schemes

60. Brown orchestrated the fraudulent schemes involving the ACorp and FCI offerings. At all relevant times, he had actual power or control over ACorp and FCI. As such, Brown knew, or was reckless in not knowing, that the schemes he directed were fraudulent and the misrepresentations and omissions he made were false and misleading.

61. Brown's conduct in orchestrating the FCI and ACorp's schemes had the principal purpose and effect of creating a false appearance of fact in furtherance of the scheme.

62. Brown was ACorp's chairman, CEO, and CFO, and FCI's president

and CEO. Brown also was the sole signatory on ACorp's and FCI's bank accounts and controlled how investor funds were used. Furthermore, FCI's filing with the Nevada Secretary of State names Brown as FCI's only officer.

63. In both offerings, Brown cold called and emailed potential investors and solicited existing investors for additional investments.

64. Brown made oral misrepresentations to potential investors, falsely representing that they could make a profit of three to five times the size of their investment in ACorp.

65. Brown also made and had ultimate authority over written misrepresentations to investors. Brown provided the information used in the PPMs. Brown's typed name appeared at the bottom of ACorp's "Mission Statement" that was sent to investors. ACorp's Mission Statement stated that ACorp intended to be a provider of real estate services to residential and commercial properties and planned to seek $50 - $100 million through an initial public offering in two years. Brown's typed signature also appears on the document titled "FCI Investor Principal Protection."

66. In addition, Brown misappropriated at least $325,000 from ACorp's investors for his personal use and an additional $972,867, which he wired to a Canadian-based company. Brown also used at $88,000 in funds from new FCI investors to make Ponzi-like payments of principal and returns to certain existing FCI investors.

67. One example of the extent of Brown's role orchestrating the fraudulent scheme concerned an investor suffering from a stroke and dementia. After this investor made an initial investment of $30,000, the investor's daughter advised ACorp to stop contacting her father because she had power of attorney. Despite this instruction, two months later, Brown emailed the forms to the investor – not to his daughter as she had instructed – to close the investor's brokerage account and move the money to an IRA account that would then invest in ACorp.

The investor's daughter replied to Brown, reminding him that her father had dementia, that she had power of attorney, and stating that ACorp should cease-and-desist from contacting her father. One month later, Brown sent another e-mail to the investor that included a form letter for the investor to sign and send to his broker stating that the funds in his brokerage account should be liquidated and transferred and "cancel[ing] any previous power of attorney for my account." The investor made an additional $45,000 investment, and ACorp's other salespeople subsequently contacted the investor twice about ACorp's Re-allocation program, ultimately getting him to sign a Re-allocation contract. A few months later, the investor's daughter contacted ACorp requesting the return of her father's money, but it was never returned.

FIRST CLAIM FOR RELIEF

Fraud in the Offer or Sale of Securities

Violations of Section 17(a) of the Securities Act

(Against All Defendants)

68. The Commission realleges and incorporates by reference paragraphs 1 through 67 above.

69. Defendants Brown, FCI, and ACorp made material misrepresentations and omissions to investors regarding, among other things, the use of investor funds by FCI and ACorp, the returns that investors would receive from their investments, Brown's personal bankruptcies, ACorp's registration with the Commission, and ACorp's phony re-allocation program.

70. Defendants Brown, FCI, and ACorp, and each of them, by engaging in the conduct described above, directly or indirectly, in the offer or sale of securities by the use of means or instruments of transportation or communication in interstate commerce or by use of the mails:

(a) with scienter, employed devices, schemes, or artifices to defraud;

(b) obtained money or property by means of untrue statements of a material fact or by omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(c) engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

71. By engaging in the conduct described above, Defendants Brown, FCI, and ACorp, and each of them, violated, and unless restrained and enjoined will continue to violate, Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

SECOND CLAIM FOR RELIEF

Fraud in Connection with the Purchase or Sale of Securities

Violations Of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

(Against All Defendants)

72. The Commission realleges and incorporates by reference paragraphs 1 through 67 above.

73. Defendants Brown, FCI, and ACorp engaged in a scheme to defraud and made material misrepresentations and omissions to investors regarding, among other things, the use of investor funds by Brown, FCI and ACorp, the returns that investors would receive from their investments, Brown's personal bankruptcies, ACorp's registration with the Commission, and ACorp's phony re-allocation program.

74. Defendants Brown, FCI, and ACorp, and each of them, by engaging in the conduct described above, directly or indirectly, in connection with the purchase or sale of a security, by the use of means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange, with scienter:

(a) employed devices, schemes, or artifices to defraud;

(b) made untrue statements of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or

(c) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons.

75. By engaging in the conduct described above, Brown, FCI, and ACorp, and each of them, violated, and unless restrained and enjoined will continue to violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

THIRD CLAIM FOR RELIEF

Joint and Several Liability as Control Person

Section 20(a) of the Exchange Act

(Against Brown)

76. The Commission realleges and incorporates by reference paragraphs 1 through 67 above.

77. FCI violated Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. §240.10b-5(b).

78. ACorp violated Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. §240.10b-5(b).

79. Defendant Brown, by engaging in the conduct described above, is, or was at the time the acts and conduct set forth herein were committed, directly or indirectly, a person who controlled and exercised actual power over Defendants FCI and ACorp.

80. By engaging in the conduct described above, Brown is a control person of FCI and ACorp under Section 20(a) of the Exchange Act, 15 U.S.C. § 78t(a). Brown is FCI's CEO and president, and he is ACorp's chairman, CEO, and

CFO. Brown controls the operations of FCI and ACorp.

81. By reason of the foregoing, Brown is jointly and severally liable as a control person for FCI's and ACorp's violations of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

FOURTH CLAIM FOR RELIEF

Aiding and Abetting Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

(Against Brown)

82. The Commission realleges and incorporates by reference paragraphs 1 through 67 above.

83. FCI violated Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. §240.10b-5(b), by misappropriating investor funds and making material misrepresentations and omissions to investors regarding, among other things, the use of investor funds, the returns that investors would receive from their investments, and Brown's personal bankruptcies.

84. ACorp violated Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. §240.10b-5(b), by misappropriating investor funds and making material misrepresentations and omissions to investors regarding, among other things, the use of investor funds, the returns that investors would receive from their investments, ACorp's registration with the Commission, and ACorp's phony re-allocation program.

85. Brown knowingly or recklessly provided substantial assistance to FCI and ACorp in their violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

86. By engaging in the conduct described above and pursuant to Section 20(e) of the Exchange Act, 15 U.S.C. § 78t(e), Brown aided and abetted FCI's and ACorp's violations, and unless restrained and enjoined will continue to aid and abet violations, of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule

10b-5 thereunder, 17 C.F.R. § 240.10b-5.

FIFTH CLAIM FOR RELIEF

Unregistered Offer and Sale of Securities

Violations of Sections 5(a) and 5(c) of the Securities Act

(Against All Defendants)

87. The Commission realleges and incorporates by reference paragraphs 1 through 67 above.

88. Brown, FCI, and ACorp, by engaging in the conduct described above, directly or indirectly, made use of means or instruments of transportation or communication in interstate commerce or of the mails, to offer to sell or to sell securities, or to carry or cause such securities to be carried through the mails or in interstate commerce for the purpose of sale or for delivery after sale.

89. No registration statement has been filed with the Commission or has been in effect with respect to any of the offerings alleged herein.

90. By engaging in the conduct described above, Brown, FCI, and ACorp violated, and unless restrained and enjoined will continue to violate, Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c).

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court:

I.

Issue findings of fact and conclusions of law that Brown, FCI, and ACorp committed the alleged violations.

II.

Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of Civil Procedure, temporarily, preliminarily and permanently enjoining Defendants Brown, FCI, and ACorp, and their agents, servants, employees, and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the judgment by personal service or otherwise, and each of them,

from violating Sections 5(a), 5(c), and 17(a) of the Securities Act, 15 U.S.C. § 77e(a), 77e(c), and 77q(a), and Section 10(b) of the Exchange Act, 15 U.S.C. §§ 78j(b) and 78t(a), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

III.

Issue, in a form consistent with Rule 65 of the Federal Rules of Civil Procedure, a temporary restraining order and a preliminary injunction freezing the assets of Defendants Brown, FCI, and ACorp, and any entity affiliated with any of them, appointing a receiver over FCI and ACorp and any entity affiliated with them, prohibiting each of the Defendants from destroying documents, granting the Commission expedited discovery, and requiring accountings from each of the Defendants.

IV.

Order Defendants Brown, FCI, and ACorp, to disgorge all ill-gotten gains from their illegal conduct, together with prejudgment interest thereon.

V.

Order Defendants Brown, FCI, and ACorp to pay civil penalties under Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3).

VI.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

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VII.

Grant such other and further relief as this Court may determine to be just and necessary.

Dated: March 7, 2013

Respectfully submitted,

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Jacob A. Regenstreif
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Securities and Exchange Commission