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CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
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FILED

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8 UNITED STATES DISTRICT COURT  
9 FOR THE CENTRAL DISTRICT OF CALIFORNIA  
10 WESTERN DIVISION

11 SECURITIES AND EXCHANGE  
12 COMMISSION,

13 Plaintiff,

14 vs.

15 JEANETTA M. STANDEFOR, and  
16 ACCELERATED FUNDING GROUP,

17 Defendants,

18 and

19 DARRELL R. DANSBY,

20 Relief Defendant.

Case No. CV08-03164 RSWL  
COMPLAINT FOR VIOLATIONS OF  
THE FEDERAL SECURITIES LAWS  
PLA<sub>x</sub>

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

3 **JURISDICTION AND VENUE**

4 1. This Court has jurisdiction over this action pursuant to Sections 20(b),  
5 20(d)(1) and 22(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§  
6 77t(b), 77t(d)(1) & 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27 of the  
7 Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §§ 78u(d)(1),  
8 78u(d)(3)(A), 78u(e) & 78aa. Defendants have, directly or indirectly, made use of  
9 the means or instrumentalities of interstate commerce, of the mails, or of the  
10 facilities of a national securities exchange, in connection with the transactions,  
11 acts, practices, and courses of business alleged in this complaint.

12 2. Venue is proper in this district pursuant to Section 22(a) of the  
13 Securities Act, 15 U.S.C. § 77v(a), and Section 27 of the Exchange Act, 15 U.S.C.  
14 § 78aa, because certain of the transactions, acts, practices, and courses of conduct  
15 constituting violations of the federal securities laws occurred within this district,  
16 the entity defendant is located in this district, and the individual defendant resides  
17 in this district.

18 **SUMMARY**

19 3. This matter involves an offering fraud orchestrated by defendant  
20 Jeanetta Standefor that raised approximately \$18 million from nearly 600 investors  
21 throughout California, Georgia, and Nevada between 2005 and 2007.

22 4. From late 2005 to at least March 2007, Standefor made an  
23 unregistered offering of securities through her entity Accelerated Funding Group  
24 ("AFG"). Through AFG, Standefor targeted the African-American community by  
25 offering and selling securities in the form of investments in foreclosure  
26 reinstatements. Standefor and AFG offered investors these securities, in the form  
27 of investment contracts and/or notes, which centered on AFG's alleged purchase of  
28 notes on distressed properties. Standefor and AFG solicited investors through

1 word-of-mouth, testimonials by other investors, and AFG's now defunct website.

2 5. AFG and Standefor falsely represented to investors that 100% of their  
3 monetary investments would be used to cure the defaults on specific residential  
4 properties and in return, the investors would receive their initial investment plus  
5 returns of up to 50% within 30 to 45 days. AFG and Standefor told investors that  
6 the investment returns were generated from the sale or refinancing of the properties  
7 by the homeowners. Investors were also promised daily interest if their stated  
8 returns were not paid out within 45 days.

9 6. In fact, AFG and Standefor were operating a Ponzi scheme. Contrary  
10 to their assertions, investor funds were not used to cure the defaults on any  
11 residential properties. Instead, AFG and Standefor pooled all investor funds into  
12 one bank account and then used these same investor funds to repay the initial  
13 investments plus purported "returns" to other investors.

14 7. Standefor also misappropriated investor funds and used this account  
15 to pay for (1) AFG's overhead, (2) Standefor's personal expenses (such as her  
16 wedding, honeymoon, home improvements, cars and car related expenses, jewelry,  
17 and tickets to entertainment events), and (3) Standefor's new husband's  
18 "consulting fees."

19 8. Through their scheme, Standefor and AFG violated the antifraud and  
20 securities registration provisions of the federal securities laws. By this action, the  
21 Commission seeks permanent injunctions, disgorgement of the defendants' ill-  
22 gotten gains, and civil penalties.

### 23 DEFENDANTS

24 9. **Accelerated Funding Group ("AFG")** is a California corporation  
25 based in Pasadena, California. AFG purported to be a real estate investment  
26 company that specialized in investments in foreclosure reinstatements. Between  
27 approximately 2005 and 2007, AFG raised approximately \$18,000,000 from nearly  
28 600 investors throughout California, Georgia, and Nevada in an unregistered

1 offering of securities. AFG has never registered an offering of securities under the  
2 Securities Act. Its status with the California Secretary of State is suspended and  
3 AFG has closed its operations.

4 10. **Jeanetta M. Standefor** (“Standefor”) resides in Altadena, California  
5 and is the president of AFG. From 2005 and 2007, Standefor used over \$1.9  
6 million of the offering proceeds to pay herself and to pay for her personal  
7 expenses. Standefor is not registered with the Commission in any capacity.

8 **RELIEF DEFENDANT**

9 11. **Darrell Ray Dansby** (“Dansby”) resides in Altadena, California and  
10 is Standefor’s husband. Between December 2005 and June 2007, approximately  
11 \$121,000 of AFG’s investor funds were transferred to Dansby.

12 **THE FRAUDULENT CONDUCT**

13 **A. THE OFFERING**

14 12. Between December 2005 and March 2007, AFG and Standefor raised  
15 approximately \$18,000,000 from nearly 600 investors in at least three states  
16 through its offering of investments in a program known as the Foreclosure  
17 Reinstatement Program (the “AFG Offering”). Standefor represented to investors  
18 that AFG purchased non-performing home mortgage notes from banks at  
19 discounted prices that were then made available for purchase by AFG’s investors.  
20 Standefor’s pitch was that their investments would help homeowners, who were in  
21 danger of losing their homes to foreclosure, stay in their homes. Standefor claimed  
22 she told homeowners whose loans were in default, but with adequate equity, that  
23 she could save them from foreclosure by bringing their mortgages up to date with  
24 cash from AFG investors.

25 13. Standefor also told investors that 100% of their investments would be  
26 used to pay off the delinquent mortgage amount in full on the specific property  
27 they were investing in. According to Standefor, the homeowner agreed to pay a  
28 “fee” for the use of investor money. Standefor told investors that this “fee”

1 included amounts to pay the investor returns and a fee for AFG's efforts that would  
2 be generated from the sale or refinancing of the home.

3 **B. THE SOLICITATION OF INVESTORS**

4 14. AFG and Standefor used word-of-mouth solicitation tactics, such as  
5 acceptance of new investors on a referral basis and testimonials by other investors.  
6 These investors were from California, Georgia, and Nevada and were largely from  
7 the African-American community. AFG and Standefor also solicited investors  
8 through AFG's now defunct website, [www.acceleratedfundinggroup.net](http://www.acceleratedfundinggroup.net). AFG and  
9 Standefor further used "investor coordinators" to help AFG disseminate  
10 information about the AFG Offering and to handle distributing paperwork for the  
11 investments. These coordinators held meetings with their family and friends, and  
12 explained the AFG Offering, utilizing information they learned from Standefor.

13 15. In some instances, Standefor personally attended these meetings to  
14 explain the AFG Offering. During one meeting, on or about August 20, 2006, at a  
15 golf course attended by more than 100 people (including approximately 10  
16 members of the Los Angeles Police Department), Standefor represented that  
17 (1) investors would receive a high rate of return in a short amount of time, (2) the  
18 investments were secured by a lien on real property, and (3) the investments were  
19 virtually risk free because investors could get back their initial investment at any  
20 time. Standefor further promised that if the investor did not receive returns within  
21 45 days, the investor would accrue additional daily interest.

22 16. AFG also gave potential investors offering and promotional materials  
23 that were prepared at Standefor's direction. One document entitled "How to  
24 Structure the Deal" states that the investor will invest funds to reinstate a  
25 delinquent note for the distressed property he/she is investing in, and in return, will  
26 be paid profits upon the close of escrow – approximately 30 to 45 days from the  
27 time the investment is made. The document also states that if investors are not  
28 paid within the 45 day period, investors would receive additional interest for each

1 day beyond the 45 day period until escrow closes.

2 17. Investors also received a payout chart promising returns from 6% to  
3 50% per investment depending on the amount invested. Specifically, the 2006  
4 payout chart states that AFG would pay investors returns from 25% to 50% within  
5 30 to 45 days. For 2007, investors were promised returns from 6% to 25% within  
6 45 to 60 days, and additional interest for each day beyond the 60 day period until  
7 escrow closes.

8 18. AFG and Standefor also provided investors with a document entitled  
9 "Q & A Foreclosure Reinstatement Program," which lists frequently asked  
10 questions and answers about the AFG Offering. This document states that the  
11 investment risk is minimal because a "deal may fall through or cancel, but the  
12 investor will get back their original investment."

13 19. Once an investor expressed interest, AFG sent the investor  
14 instructions on where to wire or mail the investment funds. Shortly thereafter, the  
15 investor received investment documents, including a document titled "NOTE –  
16 STRAIGHT" and a document titled "REQUEST FOR DEMAND." Standefor told  
17 investors that the "NOTE – STRAIGHT" was an assignment of AFG's interest in  
18 the note on the distressed property. Investors believed that this document  
19 illustrated the amount of their initial investment and that the investment was  
20 sufficient to bring the homeowner's mortgage current. Investors also believed that  
21 the "REQUEST FOR DEMAND," which showed the amount of the payoff (i.e.,  
22 the initial investment plus returns) was the document that facilitated the investors'  
23 payout once the property was sold or refinanced.

24 20. The AFG Offering was not registered with the Commission, as  
25 required by federal securities laws and regulations.

26 **C. MATERIAL MISREPRESENTATIONS AND OMISSIONS**

27 21. AFG's business was a sham, designed by Standefor to attract  
28 investors by presenting herself as a legitimate, experienced business person,

1 especially in the field of real estate loans and foreclosures. Rather than using  
2 investor funds as represented, Standefor misappropriated at least \$17 million of the  
3 money entrusted to her. Standefor concealed her misconduct by using funds  
4 provided by new investors to make payments to existing investors.

5 22. AFG and Standefor asked investors to either wire transfer money to  
6 AFG's bank account at Bank of America or to mail or drop off a cashier's check to  
7 AFG's offices, which would be deposited into this same Bank of America account.  
8 The vast majority of deposits into AFG's account are funds from investors.  
9 Jeanetta Standefor is the only person authorized to access this account and execute  
10 checks from this account.

11 23. Contrary to AFG's and Standefor's assertions, investor funds were not  
12 used to pay off the delinquent amounts on the specific properties in which the  
13 investors believed they were investing. AFG and Standefor instead used over \$12  
14 million of the offering proceeds to pay existing investors. AFG also used offering  
15 proceeds to pay for salaries and fees to its employees, and \$121,000 in consulting  
16 fees to Standefor's then boyfriend and current husband, Dansby. In addition,  
17 Standefor used over \$1.9 million of the offering proceeds to pay herself and her  
18 personal expenses. Standefor used investor funds in excess of \$76,000 for her  
19 wedding expenses; over \$11,000 for her honeymoon; over \$170,000 for jewelry;  
20 over \$270,000 for cars and car related expenses; almost \$180,000 for tickets to  
21 entertainment events, and \$650,000 to pay a contractor for improvements to one of  
22 her homes. Moreover, in May 2007, Standefor raised an additional \$150,000 from  
23 one investor, much of which was used to pay for her May 2007 wedding to  
24 Dansby. Standefor also invited some of her investors to her wedding, including the  
25 investor whose funds were used to pay for part of her wedding.

26 24. Neither AFG nor Standefor disclosed to investors that they used  
27 investor funds to pay for anything other than to cure defaults on the investment  
28 properties. There are no funds left in AFG's accounts. Over 65% of investor

1 funds were used to pay initial investors and approximately 25% was  
2 misappropriated by Standefor.

3 25. Further, AFG's and Standefor's representations that the AFG Offering  
4 was "virtually risk free" because investors could cash out at anytime were also  
5 false. Many investors have made repeated demands for the return of their principal  
6 investments, but these demands have not been satisfied. Standefor has stalled  
7 investors by falsely telling them that the delay in payment is caused by the timing  
8 of the close of escrow. In reality, there were never deals with any homeowner,  
9 lender, or vendor that could cause such a delay. In fact, the risk was great because,  
10 as discussed above, Standefor never invested in distressed properties, but rather  
11 used those funds for her own personal use and to pay previous investors.

12 **D. STANDEFOR AND AFG ACTED WITH SCIENTER**

13 26. Standefor acted with scienter. Standefor, in her capacity as an officer  
14 of AFG, participated in presentations to potential investors, developed the pitch to  
15 investors, and directed the preparation of promotional materials in which she  
16 misrepresented the use of the offering proceeds, the source of the returns that could  
17 be earned, and the risk of investment. Further, Standefor controlled AFG's bank  
18 accounts – from which she used investor money to pay prior investors, her  
19 personal expenses, and AFG's overhead. Moreover, when the scheme was falling  
20 apart, Standefor raised additional funds from an investor specifically to pay for her  
21 wedding. Standefor's mental state is imputed to AFG because she was the  
22 president of AFG and controlled AFG.

23 **FIRST CLAIM FOR RELIEF**

24 **UNREGISTERED OFFER AND SALE OF SECURITIES**

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

26 **(Against All Defendants)**

27 27. The Commission realleges and incorporates by reference paragraphs 1  
28 through 26 above.





1 purchaser.

2 33. By engaging in the conduct described above, each of the defendants  
3 violated, and unless restrained and enjoined will continue to violate, Section 17(a)  
4 of the Securities Act, 15 U.S.C. § 77q(a).

5 **THIRD CLAIM FOR RELIEF**

6 **FRAUD IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES**  
7 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder**  
8 **(Against All Defendants)**

9 34. The Commission realleges and incorporates by reference paragraphs 1  
10 through 26 above.

11 35. The defendants, and each of them, by engaging in the conduct  
12 described above, directly or indirectly, in connection with the purchase or sale of a  
13 security, by the use of means or instrumentalities of interstate commerce, of the  
14 mails, or of the facilities of a national securities exchange, with scienter:

- 15 a. employed devices, schemes, or artifices to defraud;
- 16 b. made untrue statements of a material fact or omitted to state a  
17 material fact necessary in order to make the statements made,  
18 in the light of the circumstances under which they were made,  
19 not misleading; or
- 20 c. engaged in acts, practices, or courses of business which  
21 operated or would operate as a fraud or deceit upon other  
22 persons.

23 36. By engaging in the conduct described above, each of the defendants  
24 violated, and unless restrained and enjoined will continue to violate, Section 10(b)  
25 of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. §  
26 240.10b-5.

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1 **PRAYER FOR RELIEF**

2 WHEREFORE, the Commission respectfully requests that the Court:

3 **I.**

4 Issue findings of fact and conclusions of law that the defendants committed  
5 the alleged violations.

6 **II.**

7 Issue judgments, in a form consistent with Fed. R. Civ. P. 65(d),  
8 permanently enjoining defendants and their officers, agents, servants, employees,  
9 and attorneys, and those persons in active concert or participation with any of  
10 them, who receive actual notice of the judgment by personal service or otherwise,  
11 and each of them, from violating Sections 5(a), 5(c), and 17(a) of the Securities  
12 Act, 15 U.S.C. §§ 77e(a), 77e(c), and 77q(a); and Section 10(b) of the Exchange  
13 Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

14 **III.**

15 Order the defendants and relief defendants to disgorge all ill-gotten gains  
16 from the illegal conduct alleged herein, together with prejudgment interest thereon.

17 **IV.**

18 Order the defendants to pay civil penalties pursuant to Section 20(d) of the  
19 Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15  
20 U.S.C. § 78u(d)(3).

21 **V.**

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

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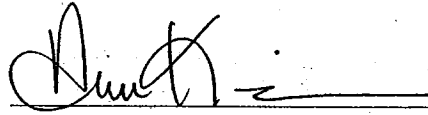
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VI.

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

DATED: May 14, 2008



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Ann C. Kim  
Attorney for Plaintiff  
Securities and Exchange Commission