UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES SECURITIES AND EXCHANGE COMMISSION,	:	**CIVIL ACTION FILE NO.**
Plaintiff,	:	
v.	:	
STEVEN BREWER, ADAM ERICKSON, BREWER INVESTMENT GROUP, LLC, BREWER FINANCIAL SERVICES, LLC, and BREWER INVESTMENT ADVISORS, LLC	:	
Defendants,	:	

COMPLAINT

Plaintiff, United States Securities and Exchange Commission, alleges as follows:

SUMMARY

1. This enforcement action involves fraudulent offerings of unregistered securities. From June 2009 through at least the end of September 2010, Defendants Steven Brewer ("Brewer"), Adam Erickson ("Erickson"), Brewer Investment Group, LLC ("BIG), Brewer Financial Services, LLC ("BFS"), a registered broker-dealer, and Brewer Investment Advisors, LLC ("BIA"), a registered investment adviser, participated in fraudulent, unregistered offerings of promissory notes issued by FPA Limited ("FPA"), an Isle of Man company, in the aggregate amount of $5.6 million to at least 74 investors. Through the fraudulent offerings, BIG and Brewer funneled cash to BIG and one of its subsidiaries when the entities were under significant financial distress. The offering materials that Defendants created and used for the offerings of FPA promissory

notes ("FPA Notes") failed to disclose that over 90% of the proceeds would be disbursed at Brewer's direction to BIG and then to its wholly-owned subsidiaries. In addition, The offering materials misrepresented the risk of the investment and failed to disclose the precarious financial condition of BIG and its subsidiaries.

2. Through the offering materials for the FPA Notes, Defendants also implicitly and explicitly represented to investors that the proceeds of the offerings would be used to procure collateral which would be used to secure the notes. Instead, over 90% of the proceeds were disbursed at Brewer's direction to BIG and then spent, including making payments to one of BIG's subsidiaries, and the promised collateral was never obtained. As a result, representations in the offering materials concerning the use of proceeds and representations concerning the risk of the investment were materially false and misleading.

3. Defendants also did not disclose to investors the precarious financial condition of BIG in the offering materials or otherwise. In fact, BIG has sustained millions of dollars of operating losses, has insufficient funds to pay its current expenses and has failed to meet its obligations to creditors and noteholders. These material omissions rendered statements in the offering documents materially misleading.

4. In the offering materials, Defendants also did not disclose that BIG was failing to make the required interest payments on the FPA Notes being sold to investors. Nor did Defendants disclose that material information to prospective investors in other communications. These material omissions rendered statements in the offering documents materially misleading.

5. Defendant Brewer originated the fraudulent offering of the FPA Notes and participated in creating the fraudulent offering documents used to sell the notes. Brewer directed that the notes be sold and directed that the notes be offered to specific investors. Brewer also controlled the bank account into which the proceeds of the offerings were deposited and then disbursed, primarily to BIG. Brewer knew that the representations in the offering documents concerning the use of proceeds and risk were materially false and misleading. He also knew that material information about the precarious financial condition of BIG and BIG's failure to make required interest payments on the notes was not being disclosed to prospective investors. Nonetheless, Brewer continued to sell the notes and caused others to do so.

6. Defendant Erickson reviewed and approved the fraudulent offering documents used to sell the FPA Notes. Erickson directed BFS and BIA to sell the notes and encouraged individuals associated with those entities to sell the notes. He knew that over 90% of the proceeds of the offerings were being funneled to BIG and were not being used to procure collateral for the notes. He knew that the representations in the offering documents concerning the use of proceeds and risk were materially false and misleading. Erickson also knew that material information about the precarious financial condition of BIG and BIG's failure to make required interest payments on the notes was not being disclosed to prospective investors. Nonetheless, Erickson continued to cause BFS and BIA to sell the notes.

7. Defendants Brewer and Erickson are officers and owners of Defendant BIG, a financial services holding company. Through them, BIG originated the fraudulent offerings of FPA Notes, participated in creating the fraudulent offering documents used

to sell the notes, and reviewed and approved the offering documents used to sell the notes and offered the notes for sale.

8. Defendant Erickson is and was an officer and/or managing principal of Defendant BFS, a registered broker-dealer with 25 branch offices located in Colorado, Illinois, Minnesota, Wisconsin, North Carolina, Arizona, Florida, Massachusetts, and Missouri. Through Erickson, BFS reviewed and approved the fraudulent offering documents used to sell the FPA Notes. BFS, through Erickson, directed its associated persons to solicit investors, including customers, and prospective customers to purchase the notes.

9. Defendant Erickson is an officer and managing principal of Defendant BIA, a registered investment adviser which also has branch offices located in several states. Through Erickson, BIA reviewed and approved the fraudulent offering documents used to sell the FPA Notes. BIA, through Erickson, directed its associated persons to recommend that advisory clients purchase the notes.

10. As a result of the conduct alleged in this Complaint, Defendants have engaged in and, unless enjoined, will continue to engage in transactions, acts, practices and courses of business which violate Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a), e(c) and q(a)], Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5] promulgated thereunder. Defendant BFS has engaged in and, unless enjoined, will continue to engage in transactions, acts, practices and courses of business which violate Section15(c)(1) of the Exchange Act [15 U.S.C. § 78o(c)(1)], and Defendants Brewer and Erickson have aided and abetted those violations. Defendant

BIA has engaged in and, unless enjoined, will continue to engage in transactions, acts, practices and courses of business which violate Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 [15 U.S.C. §§ 80b-6(1) and 80b-6(2)], and Defendants Brewer and Erickson have aided and abetted those violations.

JURISDICTION AND VENUE

11. The Commission brings this action pursuant to Section 20(b) of the Securities Act [15 U.S.C. §77t(b)] and Sections 21(d) and 21(e) of the Exchange Act [15 U.S.C. §§ 78u(d) and 78u(e)] and Section 209(d) of the Advisers Act [15 U.S.C. § 80b-9(d)].

12. This Court has jurisdiction over this action pursuant to Section 22 of the Securities Act [15 U.S.C. § 77v], Section 27 of the Exchange Act [15 U.S.C. § 78aa], Section 214 of the Advisers Act [15 U.S.C. § 80b-14], and 28 U.S.C. § 1331.

13. Venue is proper in this Court pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa].

14. Acts, practices and courses of business constituting violations alleged herein have occurred within the jurisdiction of the United States District Court for the Northern District of Illinois and elsewhere. Defendants Brewer and Erickson reside in the Northern District of Illinois and the remaining Defendants are Illinois limited liability companies.

15. The Defendants, directly and indirectly, made use of the means and instrumentalities of interstate commerce and of the mails in connection with the acts, practices, and courses of business alleged herein.

16. The Defendants will, unless enjoined, continue to engage in the acts, practices and courses of business set forth in this Complaint, and acts, practices and courses of business of similar purport and object.

FACTS

Defendants

17. Brewer Investment Group, LLC, an Illinois limited liability company, is a financial services holding company that wholly owns seven subsidiaries, including Defendant BFS, Defendant BIA, Brewer Futures Group, LLC, Brewer FX, LLC, Brewer Insurance Group, LLC, Advisor Resource, LLC, and etvMedia.com. BIG is the "Manager of Notes" for the notes issued by FPA. Defendant Brewer owns at least 25% of BIG and is its president and Chief Executive Officer ("CEO"). Defendant Erickson owns approximately 5% of BIG and is its Chief Operating Officer ("COO"). BIG received over 90% of the proceeds of FPA Notes offerings.

18. Steven Brewer owns over 25% of BIG and is its CEO and chairman. Brewer is also a director of FPA and may be a director of Foundations Program PLC ("FPP"), another Isle of Man company. Brewer was personally involved in significant aspects of the FPA Notes offerings, including participating in creating, reviewing and approving the private placement memoranda ("PPMs"). He also directed others at BIG to distribute the PPMs to specific customers of BFS, executed investor subscription agreements in his capacity as a director of FPA, and controlled the bank account of FPA USA, LLC ("FPA USA"), a U.S. entity formed to establish the bank account into which the proceeds of the FPA Notes were deposited.

19. Adam Erickson is the president of BFS and has been an officer or principal of BFS at all times relevant to this Complaint. Erickson is also the managing member and president of BIA. In addition, Erickson is currently the COO, a managing principal, and partial owner of BIG, and previously served as a managing principal and executive vice president of BIG.

20. Brewer Financial Services, LLC is a broker-dealer registered with the Securities and Exchange Commission. BFS, an Illinois limited liability company with its principal office in Chicago, Illinois, is a wholly-owned subsidiary of BIG. BFS has approximately 87 associated registered persons who operate 25 branch offices located in Colorado, Illinois, Minnesota, Wisconsin, North Carolina, Arizona, Florida, Massachusetts, and Missouri. BFS does business as an introducing broker only, and does not maintain custody of customer funds or securities. BFS maintains approximately 2,690 customer accounts, the trades for which are cleared through another broker-dealer. BFS has approximately 121 employees, including its associated registered persons, most of whom are independent contractors. The majority of BFS's associated registered persons are dually registered as persons associated with BIA.

21. Brewer Investment Advisors, LLC, an investment adviser registered with the Securities and Exchange Commission, is an Illinois limited liability company with principal offices in Chicago, Illinois. BIA has approximately $377,560,420 under management in approximately 3,475 non-custodial accounts. BIA operates through BFS's approximately 87 associated registered persons, the majority of whom are dually registered as persons associated with BIA. BIA also shares with BFS 43 employees who share job responsibilities between the two registered entities.

Related Entities

22. FPA Limited USA, LLC is an Illinois limited liability company associated with Defendant Brewer. The bank account receiving and disbursing funds generated through the FPA Notes is in the name of FPA USA. Defendant Brewer controls the FPA USA bank account.

23. FPA Limited is a limited liability company incorporated in the Isle of Man. FPA is a wholly-owned subsidiary of FPP. FPA was established to hold certain assets ("the Assigned Assets") used as collateral to secure obligations of FPP. Defendant Brewer is a director of FPA.

24. Foundations Program PLC is an open-ended investment company incorporated in the Isle of Man. During the relevant time period, FPP owed approximately $10.2 million to Barclays Private Clients International Limited, which was secured by the Assigned Assets.

Background

25. In late 2000, Defendant Brewer created BIG. In 2005, BIG's wholly-owned subsidiary, BFS, registered with the Securities and Exchange Commission as a broker-dealer, and in 2008, BIG's wholly-owned subsidiary BIA registered as an investment adviser. BFS and BIA shared expenses, including having dually associated registered representatives and advisers. During the period at issue, BFS earned commissions on securities transactions for its customers, and BIA earned investment advisory fees from its clients, but neither BFS nor BIA were profitable.

26. By January 2009, BIG and its subsidiaries were struggling financially. In addition to sustaining consolidated operating losses of approximately $3 million during 2008, BIG received a notice of default on a $2.5 million loan in January 2009.

27. In order to raise capital, Defendants BIG, Brewer, Erickson and others formed BIG Management Holdings, LLC to conduct an offering starting in February 2009 of three-year promissory notes paying semiannual interest. Despite this offering, BIG and its subsidiaries continued to generate net operating losses on a consolidated basis.

The Fraudulent FPA Offerings

28. In June 2009, Defendant Brewer, BIG through Brewer, and others edited the PPM that was used for the BIG Management Holdings offering to create the PPMs for the offerings of the FPA Notes.

29. Defendants BIG and Brewer knowingly or recklessly included materially false and materially misleading statements concerning the use of proceeds and the risk of the investment in the edited PPMs for the FPA Notes.

30. From June 16, 2009 through September 30, 2010, Defendants caused FPA to make two offerings using the edited PPMs: $15 million of three-year asset-backed promissory notes paying 8%; and an additional $15 million of one-year asset-backed promissory notes paying 5%.

31. From June 16, 2009 through September 30, 2010, Defendants and others sold the FPA Notes to 74 investors for approximately $5.6 million.

32. The FPA Notes were offered and sold primarily by Defendants BFS and BIA at the direction of Defendants Erickson and Brewer. Defendant Erickson reviewed

and approved the offerings of the FPA Notes for sale by BFS and BIA. In addition, Defendant Erickson made sales presentations to representatives and advisers associated with BFS and BIA encouraging them to offer and sell the notes. Brewer also directed that the FPA Notes offering materials be sent to specific investors.

33. Brewer, as a director of FPA, signed the FPA Notes that were sent to investors.

34. Both the PPM for the three-year FPA Notes and the PPM for the one-year FPA Notes provided that BIG would manage the issue and administration of the notes pursuant to a Note Management Agreement.

35. The PPMs for the FPA Notes represented that the directors of FPA, which includes Defendant Brewer, "ACCEPT RESPONSIBILITY FOR THE INFORMATION CONTAINED IN [the PPM]. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS (WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE) THE INFORMATION CONTAINED IN [the PPM] IS AT THE DATE HEREOF (A) IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION; AND (B) ACCURATELY SETS OUT ALL MATERIAL INFORMATION WHICH IS RELEVANT FOR THE PURPOSES OF MAKING AN INFORMED JUDGMENT ABOUT THE MERITS OF PARTICIPATING IN THE OFFERING. THE DIRECTORS ACCEPT RESPONSIBILITY ACCORDINGLY." (Bold in original)

36. A Note Management Agreement between FPA and BIG, signed by Defendant Brewer, set forth provisions pursuant to which BIG would manage the FPA Notes.

37. The Note Management Agreement provided that BIG's authority was "limited to the powers, discretions and authorities" set out in the Note Management Agreement and was "further subject to such directions as may from time to time be given by [FPA]."

38. In the Note Management Agreement, BIG agreed to be responsible for "ensuring compliance with all obligations deriving from the [PPM], [and] all applicable laws and regulations."

Misrepresentations Concerning the Use of Proceeds

39. Defendants, through the offering documents and FPA Notes, implicitly and explicitly represented that the proceeds of the offerings would be used to repay a collateralized debt of FPP and thereby procure the release of the underlying collateral, which would then be used to secure the notes. Instead, over 90% of the proceeds were disbursed at Defendant Brewer's direction to BIG and then spent, during a time when it was in financial distress. As a result, the Defendants, through the offering materials, made material misrepresentations about how the proceeds of the FPA Notes would be used.

40. The PPMs, which Defendants Brewer and BIG participated in creating and which Defendants BIG, Brewer, Erickson, BFS and BIA distributed to investors, made the following misrepresentations about the use of the proceeds of the offerings of the FPA Notes:

(a) "The proceeds of the Notes are intended to be on lent by [FPA] to FPP and utilized to replace a facility currently provided by Barclays Private Clients International Limited, in the amount of $10,200,000 as of 2 July 2009, and to increase FPP's investment portfolio including an investment on or loan to the Manager and third to fund FPP's operating costs."

(b) "[I]t is intended that the proceeds of this offering will be lent to FPP by [FPA] and used by FPP to discharge this indebtedness [to Barclays]."

(c) "The proceeds of this offering will, pursuant to an inter company loan agreement, be lent on to FPP by the Company and used by FPP to discharge its existing financial indebtedness, pay the expenses associated with the offering of the Notes, to fund anticipated further investments by FPP and to cover its operating costs. One such investment is to be made in the Note Manager."

(d) "The proceeds of this offering will be used by the Company to make an inter-company loan facility available to FPP which in turn will utilize borrowings under that facility to reimburse the expenses incurred by the Company in connection with the offering of the Notes, to repay existing indebtedness of FPP and fund anticipated further investments by FPP and to cover its operating costs. One possible investment is to be made in the Note Manager."

41. The PPMs for the FPA Notes directed investors to make their checks payable to FPA USA, which is affiliated with Defendant Brewer, the sole signatory on the FPA USA bank account. Investors were then directed to return signed subscription agreements and checks to BIG.

42. In fact, the offering proceeds were not used as represented. Instead, Defendant Brewer funneled the offering proceeds to BIG. In effect, the Defendants used the offerings as a fraudulent source of financing for BIG at a time when it was in financial distress.

43. The Note Management Agreement set forth BIG's responsibilities and limitations related to the bank account receiving investor funds. Among other things, BIG agreed to be responsible for "maintaining for the issuer, one or more segregated client accounts in connection with the Notes." The Note Management Agreement also provided that, in operating the accounts, BIG would receive the proceeds of the FPA Notes, pay redemptions and interest payments, and pay commissions and expenses in connection with the notes.

44. The Note Management Agreement did not allow Brewer or BIG to take any other action or make any other payments in connection with the accounts. The Note Management agreement did not authorize Brewer or BIG to make "investments" in, or loans to, BIG.

45. Despite lacking the authority to do so, Brewer knowingly or recklessly directed that approximately 90% of the proceeds of the FPA Notes be disbursed to BIG. Defendant Erickson knew or was reckless in not knowing that approximately 90% of the proceeds of the FPA Notes were being paid to BIG.

46. The representations in the PPMs about the use of the proceeds of the offerings were material to investors. In fact, these representations were both materially false and materially misleading.

47. The representations in the PPMs were materially false because, in fact, the funds were never loaned to FPP as represented in the PPMs. Instead, Defendant Brewer, who controlled the FPA USA bank account into which investor funds were deposited, knowingly directed that over 90% of the proceeds of the offerings be paid directly to BIG.

48. The representations were also materially misleading because they expressed or implied an intent to repay FPP's debt to Barclays in order to provide collateral for the notes. Instead, Defendant BIG's and Defendant Brewer's intent in issuing the offering was first to provide funds to BIG, not to use the funds to repay FPP's debt or provide investment capital for FPP. In fact, Defendant Brewer knowingly or recklessly funneled over 90% of the proceeds of the offerings to BIG.

49. Defendant Brewer, and BIG through Brewer, participated in creating the PPMs. Defendant Brewer, and BIG through Brewer, knew or were reckless in not knowing that there were material misrepresentations concerning the use of proceeds in the PPMs. Despite this knowledge, Defendants Brewer and BIG solicited and accepted investments in the FPA Notes.

50. Defendant Erickson reviewed and approved for sale by BFS and BIA the PPMs containing the representations concerning use of proceeds from the offerings of the FPA Notes. Erickson, and BFS and BIA through Erickson, knew or were reckless in not knowing that the use of the proceeds of the offerings was material to investors. Erickson, and BFS and BIA through Erickson, knew that the representations in the PPMs were false and misleading because Erickson knew that over 90% of the proceeds of the offerings were being disbursed directly to BIG. Erickson knowingly directed BFS and BIA to sell

the notes despite his knowledge that representations in the PPMs were materially false and misleading.

Omissions Concerning the Financial Condition of BIG

51. Defendants omitted to disclose information concerning the precarious financial condition of BIG which made statements in the PPMs for the FPA Notes materially misleading and made misrepresentations about the use of the proceeds of the FPA Notes even more material.

52. The PPMs, which Defendants Brewer and BIG participated in creating and which Defendants BIG, Brewer, Erickson, BFS and BIA distributed to investors, describe BIG as "an independent financial firm, committed to providing comprehensive wealth management solutions that protect and enhance clients' portfolios and quality of life. Brewer has six wholly-owned subsidiaries, which offer a wide range of financial products, strong acumen in alternative investments and robust collaboration between each of its businesses. In 2005, Brewer added the Financial Services Company, which currently has 17 offices spread throughout the country. Brewer's Executives and Members have pioneered trading processes which have become industry standards and have been at the helm of prominent companies and industry associations."

53. Despite the characterization of BIG as a successful and prosperous business, during the period at issue, BIG was in a precarious financial condition. BIG had operating losses of approximately $3 million in each of 2008 and 2009 and expected a loss in 2010. In January 2009, BIG received notice that it was in default on a $2.5 million loan. Beginning July 2, 2010, BIG failed to make required interest payments on

the FPA Notes. In August 2010, BIG failed to make payroll payments. None of these facts were disclosed to investors in the FPA Notes.

54. Defendants Brewer and Erickson, who met monthly or weekly to review BIG's financial condition and balance sheets, knew BIG's precarious financial position. BFS and BIA through Erickson, also knew BIG's precarious financial position. Nevertheless, Defendants knowingly continued to sell the FPA Notes and direct persons associated with BFS and BIA, to solicit purchases of the notes by broker-dealer customers and recommend that advisory clients buy the notes.

55. The failure to disclose the precarious financial condition of BIG made Defendants' misrepresentations concerning the use of the proceeds of the FPA Notes even more material, because the proceeds were actually being disbursed into a failing company rather than to procure collateral for the notes or invest in a productive investment.

56. In addition, the financial condition of BIG was material to investors because BIG was the Manager of the FPA Notes and was responsible for payment of redemption of the notes and interest payments on the notes.

Misrepresentations Concerning the Risk of the Investment

57. Defendants, through the offering documents and FPA Notes, implicitly and explicitly represented that the proceeds of the offerings would be used to procure collateral which would be used to secure the notes, thus reducing the risk to investors in the notes. Instead, over 90% of the proceeds were disbursed at Defendant Brewer's direction to BIG and then to its wholly-owned subsidiaries. As a result, Defendants,

through the offering materials, made material misrepresentations about the risk of the FPA Notes.

58. The PPMs, which Defendants Brewer and BIG participated in creating and which Defendants BIG, Brewer, Erickson, BFS and BIA distributed to investors, made representations about the risk or security of the investment in the FPA Notes including that:

(a) "The Notes will, subject to the discharge of existing collateral granted in favor of Barclays Private Clients International Limited, be secured by such collateral over the Assigned Assets and other assets of the Company as [BIG] may require. The Collateral will be held on trust for the holders of the Notes by a security trustee. … This covenant to ensure adequate asset coverage for all creditors including the holders of the Notes even before the Collateral is granted."

(b) "[FPA] will procure the release of the existing security in place over the Assigned Assets in order to enable it to grant the Collateral in favor of a security trustee for the benefit of the Noteholders."

(c) "The Notes will, subject to the discharge of existing security granted in favor of Barclays Private Clients International Limited, be secured by [FPA]."

(d) "Under the terms of the Note Management Agreement of [FPA], [FPA] has undertaken to grant collateral to support the Notes."

(e) "The Notes are not initially secured or collateralized although FPA has undertaken that (upon the repayment of certain existing loans made to FPP and the redemption of the existing security granted over the Assigned Assets) it will grant

security over such Assigned Assets in favor of a trustee for the benefit of the Noteholders."

59. These representations which expressed or implied that the FPA Notes would become collateralized by the Assigned Assets were material to investors. In fact these representations were materially misleading.

60. The representations were materially misleading because Defendants BIG and Brewer did not intend to use the initial proceeds of the offerings to repay FPP's existing indebtedness to Barclays, but rather intended those proceeds to go to BIG. Defendants BIG and Brewer knew that because FPP's existing loan would not be repaid, the Assigned Assets would not be available to secure the FPA Notes. Nor did Defendants procure any other collateral to secure the notes. Nevertheless, Defendant Brewer knowingly or recklessly directed that over 90% of the proceeds of the offerings be paid to BIG rather than to repay FPP's debt to Barclays, and BIG and Brewer continued to use the materially misleading PPMs to offer the notes.

61. Defendant Erickson reviewed and approved for sale by BFS and BIA the PPMs containing the representations concerning the collateralization of the FPA Notes. Erickson, and BFS and BIA through Erickson, knew or were reckless in not knowing that the risk of the investment was material to investors. Erickson, and BFS and BIA through Erickson, knew that the representations in the PPMs were false and misleading because Erickson knew that over 90% of the proceeds of the offerings were being disbursed directly to BIG and were not being used to repay FPP's loan to Barclays and, thus, procure collateral for the FPA Notes. Erickson knowingly or recklessly directed BFS and

BIA to sell the notes despite his knowledge that representations in the PPMs were false and misleading.

Omissions Concerning Defaults on the FPA Notes

62. Defendants failed to disclose that BIG was failing to make the required interest payments on the FPA Notes. These material omissions rendered statements in the offering documents materially misleading.

63. The PPMs, which Defendants Brewer and BIG participated in creating and which Defendants BIG, Brewer, Erickson, BFS and BIA distributed to investors, represented that the FPA Notes would pay annual interest of 5% for the one-year notes and 8% for the three-year notes and that interest payments would be made every six months.

64. Beginning July 2, 2010, BIG failed to make required interest payments on the FPA Notes.

65. Defendants Brewer and Erickson, and BFS and BIA through Erickson, knew or were reckless in not knowing that BIG had failed to make required interest payments on the FPA Notes.

66. Defendants knew or were reckless in not knowing that there was no disclosure to prospective investors of the failure to make interest payments on the FPA Notes.

67. The payment of interest on the FPA Notes was material to investors and the failure to disclose the default on interest payments on the notes was a material omission.

68. Despite their knowledge, Defendants BFS and BIA continued to sell the FPA Notes, Defendants Brewer and Erickson caused the sale of FPA Notes, and BIG allowed the sale of and accepted proceeds from the sale of FPA Notes.

The Offerings Were Unregistered

69. The offerings of the FPA Notes were required to be registered with the Securities and Exchange Commission or be exempt from registration.

70. No registration statement was filed or was in effect as to the offerings of the FPA Notes.

71. Purchasers of the FPA Notes reside in several different states.

72. The offering materials for the FPA Notes did not provide all the information that would normally appear in a registration statement. For instance, audited financial statements of FPA were not provided to investors.

73. At least some investors were unsophisticated and/or not accredited and no investor had a previous relationship with FPA.

74. Each Defendant participated in the offer and sale of the unregistered offerings of FPA Notes.

CLAIMS FOR RELIEF

First Claim
Against All Defendants
Fraud in the Offer or Sale of Securities
Violations of Section 17(a) of the Securities Act
[15 U.S.C. § 77q(a)]

75. As a result of the conduct alleged in paragraphs 1 through 74, Defendants BIG, Brewer, Erickson, BFS and BIA have, directly or indirectly, with scienter, in the offer or sale of securities, by use of the means or instruments of transportation or

communication in interstate commerce or by use of the mails, employed a device, scheme, or artifice to defraud in violation of Section 17(a)(1) of the Securities Act.

76. As a result of the conduct alleged in paragraphs 1 through 74, Defendants BIG, Brewer, Erickson, BFS and BIA have, directly or indirectly, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, obtained money or property by means of untrue statements of material fact or by omissions to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading in violation of Section 17(a)(2) of the Securities Act.

77. As a result of the conduct alleged in paragraphs 1 through 74, Defendants BIG, Brewer, Erickson, BFS and BIA have, directly or indirectly, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, engaged in transactions, practices, or courses of business which have been or are operating as a fraud or deceit upon the purchasers of securities in violation of Section 17(a)(3) of the Securities Act.

78. Unless restrained and enjoined, Defendants BIG, Brewer, Erickson, BFS and BIA will, in the future, violate Section 17(a) of the Securities Act.

Second Claim
Against All Defendants
Fraud in the Purchase or Sale of Securities
Violations of Section 10(b) and Rule 10b-5 of the Exchange Act
[15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5]

79. As a result of the conduct alleged in paragraphs 1 through 74, Defendants BIG, Brewer, Erickson, BFS and BIA have, directly or indirectly, with scienter, by use of the means or instruments of interstate commerce or by use of the mails, used or

employed, in connection with the purchase or sale of securities, a manipulative or deceptive device or contrivance in contravention of the rules and regulations of the Commission or employed devices, schemes, or artifices to defraud, in violation of Section 10(b)(5)(a) of the Exchange Act and Rule 10b-5(a) thereunder.

80. As a result of the conduct alleged in paragraphs 1 through 74, Defendants BIG, Brewer, Erickson, BFS and BIA have, directly or indirectly, with scienter, by use of the means or instruments of interstate commerce or by use of the mails, in connection with the purchase or sale of securities, made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading in violation of Section 10(b)(5)(b) of the Exchange Act and Rule 10b-5(b) thereunder.

81. As a result of the conduct alleged in paragraphs 1 through 74, Defendants BIG, Brewer, Erickson, BFS and BIA have, directly or indirectly, with scienter, by use of the means or instruments of interstate commerce or by use of the mails, in connection with the purchase or sale of securities, engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any person in violation of Section 10(b)(5)(c) of the Exchange Act and Rule 10b-5(c) thereunder.

82. Unless restrained and enjoined, Defendants BIG, Brewer, Erickson, BFS and BIA will, in the future, violate Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

Third Claim
Against All Defendants
Unregistered Offer and Sale of Securities
Violations of Sections 5(a) and 5(c) of the Securities Act
[15 U.S.C. §§ 77e(a) and 77e(c)]

83. As a result of the conduct alleged in paragraphs 1 through 74, Defendants BIG, Brewer, Erickson, BFS and BIA have, directly or indirectly, in the absence of an applicable exemption, while no registration statement was in effect, made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell FPA Notes in violation of Section 5(a) of the Securities Act.

84. As a result of the conduct alleged in paragraphs 1 through 74, Defendants BIG, Brewer, Erickson, BFS and BIA have, directly or indirectly, in the absence of an applicable exemption, made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell FPA Notes, while no registration statement had been filed with the Commission in violation of Section 5(c) of the Securities Act.

85. Unless restrained and enjoined, Defendants BIG, Brewer, Erickson, BFS and BIA will, in the future, violate Sections 5(a) and 5(c) of the Securities Act.

Fourth Claim
Against Brewer Financial Services, LLC
Fraud in the Sale of Securities by a Broker-Dealer
Violations of Section 15(c)(1) of the Exchange Act
[15 U.S.C. § 78o(c)(1)]

86. As a result of the conduct alleged in paragraphs 1 through 74, Defendant BFS, a registered broker-dealer, has, with scienter, by use of the means or instruments of interstate commerce or by use of the mails, effected transactions in, induced purchases of, and attempted to induce the purchase of the FPA Notes by means of a manipulative,

deceptive or other fraudulent device or contrivance in violation of Section 15(c)(1) of the Exchange Act.

87. Unless restrained and enjoined, Defendant BFS will, in the future, violate Section 15(c)(1) of the Exchange Act.

Fifth Claim
Against Steven Brewer and Adam Erickson
Aiding and Abetting Fraud in the Sale of Securities by a Broker-Dealer
Aiding and Abetting Violations of Section 15(c) of the Exchange Act
[15 U.S.C. § 78o(c)]

88. As alleged above, Defendant BFS has violated Section 15(c)(1) of the Exchange Act.

89. As a result of the conduct alleged in paragraphs 1 through 74, Defendants Brewer and Erickson knowingly and recklessly provided substantial assistance to BFS's violation of Section 15(c)(1) of the Exchange Act.

90. Unless restrained and enjoined, Defendants Brewer and Erickson will, in the future, aid and abet violations of Section 15(c)(1) of the Exchange Act.

Sixth Claim
Against Brewer Investment Advisors, LLC
Fraud on a Client by an Invesment Adviser
Violations of Sections 206(1) and 206(2) of the Advisers Act
[15 U.S.C. §§ 80b-6(1) and 80b-6(2)]

91. As a result of the conduct alleged in paragraphs 1 through 74, Defendant BIA, a registered investment adviser, has, directly or indirectly, with scienter, by use of the means or instruments of interstate commerce or by use of the mails, employed a device, scheme, or artifice to defraud its clients and prospective clients in violation of Section 206(1) of the Advisers Act.

92. As a result of the conduct alleged in paragraphs 1 through 74, Defendant BIA, a registered investment adviser, has directly or indirectly, by use of the means or instruments of interstate commerce or by use of the mails, engaged in transactions, practices, or courses of business which have been or are operating as a fraud or deceit upon its clients and prospective clients in violation of Section 206(2) of the Advisers Act.

93. Unless restrained and enjoined, Defendant BIA will, in the future, violate Sections 206(1) and 206(2) of the Advisers Act.

Seventh Claim
Against Steven Brewer and Adam Erickson
Aiding and Abetting Fraud on a Client by an Invesment Adviser
Aiding and Abetting Violations of
Sections 206(1) and 206(2) of the Advisers Act
[15 U.S.C. §§ 80b-6(1) and 80b-6(2)]

94. As alleged above, Defendant BIA has violated Sections 206(1) and 206(2) of the Advisers Act.

95. As a result of the conduct alleged in paragraphs 1 through 74, Defendants Brewer and Erickson knowingly and recklessly provided substantial assistance to BIA's violation of Sections 206(1) and 206(2) of the Advisers Act.

96. Unless restrained and enjoined, Defendants Brewer and Erickson will, in the future, aid and abet violations of Sections 206(1) and 206(2) of the Advisers Act.

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that this Court:

I.

Issue findings of fact and conclusions of law that the Defendants committed the violations charged and alleged herein.

II.

Grant Permanent Injunctions, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, restraining and enjoining the Defendants from violating, directly or indirectly, or aiding and abetting violations of the law and rules alleged in this Complaint.

III.

Issue an Order requiring the Defendants to disgorge the ill-gotten gains that they received as a result of the violations alleged in this Complaint, including prejudgment interest.

IV.

Impose upon Defendants appropriate civil penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)].

V.

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.

VI.

Grant an Order for any other relief this Court deems appropriate.

Respectfully submitted,

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