UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 8986 / November 26, 2008

INVESTMENT COMPANY ACT OF 1940
Release No. 28523 / November 26, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-13303

ORDER INSTITUTING CEASE-AND-DESIST AND EXEMPTION SUSPENSION PROCEEDINGS, MAKING FINDINGS, IMPOSING A CEASE-AND-DESIST ORDER, AND PERMANENTLY SUSPENDING THE REGULATION E EXEMPTION AS TO RENEW ENERGY RESOURCES, INC., PURSUANT TO SECTION 9(f) OF THE INVESTMENT COMPANY ACT OF 1940 AND RULE 610(c) OF REGULATION E

In the Matter of

RENEW ENERGY RESOURCES, INC.,
Respondent.

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist and exemption suspension proceedings be, and hereby are, instituted pursuant to Section 9(f) of the Investment Company Act of 1940 (“Investment Company Act”) and Rule 610(c) of Regulation E against Renew Energy Resources, Inc. (“Renew Energy” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Cease-and-Desist and Exemption Suspension Proceedings, Making Findings, Imposing a Cease-and-Desist Order, and Permanently Suspending the Regulation E Exemption as to Renew Energy Resources, Inc., Pursuant to Section 9(f) of the Investment Company Act of 1940 and Rule 610(c) of Regulation E (“Order”), as set forth below.
III.

On the basis of this Order and Respondent’s Offer, the Commission finds\(^1\) that:

**Summary**

1. Since electing to be regulated as a business development company ("BDC") in August 2004, Renew Energy has, among other things, issued rights to purchase its securities without expiration to non-security holders, issued prohibited non-voting stock, and issued securities for services or property other than cash. As a result, Renew Energy violated Sections 18(d), 18(i), and 23(a), respectively, of the Investment Company Act. In addition, Renew Energy failed to obtain a fidelity bond, as required under Section 17(g) of the Investment Company Act and Rule 17g-1 thereunder. Finally, Renew Energy failed to comply with Rule 609 of Regulation E because it did not file offering-status reports on Form 2-E in connection with securities offerings under Regulation E commenced in August 2004, September 2004 August 2005, and October 2005.

**Respondent**

2. Renew Energy, formerly known as VitalTrust Business Development Corporation, is a Nevada corporation with its principal offices located in Tampa, Florida. It elected to be regulated as a BDC on August 3, 2004, and withdrew its BDC election on March 14, 2008. Prior to its BDC election, Renew Energy was an operating company known as ACS Holdings, Inc., which provided financial services to retail customers. Renew Energy’s securities are registered under Section 12(g) of the Securities Exchange Act of 1934 and are quoted on the OTC Bulletin Board under the symbol VTBD.

**Issuing Convertible Securities with Unequal Voting Rights**

3. On February 18, 2005, Renew Energy issued 240,000 shares of convertible preferred stock and 260,000 warrants to some of the holders of the notes in exchange for forgiveness of the senior notes. In addition, it issued 240,000 shares of convertible preferred stock and 260,000 warrants to a consultant in return for consulting services. The warrants were convertible into preferred stock at a price of $.0001 per warrant and were convertible upon a reverse split or six months after issuance. The convertible preferred shares were convertible into common shares on a one-to-one basis. They were entitled to vote on the same basis as common stock and, as a group, were entitled to a dividend of 25% of Renew Energy’s net revenues.

4. Between June 13, 2005, and July 13, 2005, Renew Energy issued 8% convertible debentures in exchange for total financing of $210,000. These eleven debentures were convertible into Renew Energy common stock at a rate of 20% of the principal after 90 days and 20% of the principal every 60 days thereafter, with an exercise price equal to 50% of the stock’s closing ask price on the

\(^1\) The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.
date of conversion. As of March 31, 2007, Renew Energy had defaulted on the convertible debentures and, on April 4, 2007, reached a compromise with the debenture holders to issue 2.1 million shares of Renew Energy common stock in exchange for forgiveness of the convertible debentures.

5. Section 18 of the Investment Company Act is made applicable to BDCs by Section 61(a) of the Investment Company Act, subject to certain exceptions. Section 18(d), as applicable to BDCs, generally prohibits them from issuing “any warrant or right to subscribe to or purchase a security of which company is the issuer, except in the form of warrants or rights to subscribe expiring not later than one hundred and twenty days after their issuance and issued exclusively and ratably to a class or classes of such company's securities holders.” Renew Energy’s convertible debentures and warrants, which constituted rights to subscribe to or purchase its securities, did not provide that the conversion feature would expire within 120 days after their issuance as required under Section 18(d).

6. Section 61(a)(3) allows a BDC, notwithstanding Section 18(d), to issue warrants, options, or rights to subscribe or convert to voting securities that are accompanied by securities if, among other things, the BDC’s shareholders authorize, and a majority of the BDC’s disinterested directors approves, the proposal to issue such securities. Renew Energy’s shareholders did not authorize, and a majority of the BDC’s disinterested directors did not approve, the issuance of the convertible debentures or the warrants issued.

7. On March 4, 2007, Renew Energy issued preferred shares and common shares, to a publicly traded company in return for securities in six companies. The preferred were non-voting, except the holder had the right to elect four directors. With certain exceptions not relevant here, Section 18(i) of the Company Act provides that every share of stock issued by a BDC shall be a voting stock and have equal voting rights with every other outstanding voting stock. Here, Renew Energy’s preferred stock did not have voting rights equal to that of its common stock as required by Section 18(i).

**Issuance of Shares for Services**

8. Section 23(a) of the Investment Company Act, which Section 63 makes applicable to BDCs, generally prohibits any closed-end company from issuing securities for services or for property other than cash or securities. In 2004, 2005, and 2006, Renew Energy issued approximately 2.4 million common shares and 240,000 preferred shares for services.

**Failure to Provide and Maintain a Fidelity Bond**

9. Section 17(g) of the Investment Company Act and Rule 17g-1 thereunder, which Section 59 makes applicable to BDCs, require each BDC to provide and maintain a bond issued by a reputable fidelity insurance company against larceny and embezzlement by officers and employees of the BDC. Renew Energy did not provide and maintain a fidelity bond.
Violations

10. As a result of the conduct described above, Renew Energy violated Sections 17(g), 18(d), 18(i), and 23(a) of the Investment Company Act and Rule 17g-1 thereunder.

Failure to Comply with Rule 609 of Regulation E

11. On August 12, 2004, September 21, 2004, August 26, 2005, and October 24, 2005, Renew Energy filed Form 1-E notification of stock issuance pursuant to the securities-registration exemption under Securities Act of 1933 Regulation E. The filing included a required offering circular, which provided certain disclosures regarding the offering. Rule 609 of Regulation E requires that, within 30 days after the end of each six-month period following the date of the original offering circular, or upon the termination of the offering, whichever is earlier, an issuer must file a report on Form 2-E, providing certain information regarding the status of the offering. Renew Energy did not file the Forms 2-E that were due for the September 21, 2004 Regulation E offering within 30 days after March 21, 2005, and March 21, 2006 and never filed Forms 2-E for the August 12, 2004, August 26, 2005 and the October 24, 2005 Regulation E offerings. Therefore, Renew Energy failed to comply with Rule 609.

12. Under Regulation E, Rule 610(c), the Commission may, at any time after notice of and opportunity for hearing, enter an order permanently suspending the Regulation E exemption, if the Commission has reason to believe, among other things, that any of the terms or conditions of Regulation E have not been complied with, including failure to file any report as required by Rule 609.

Respondent’s Remedial Efforts

13. In determining to accept the Offer, the Commission considered remedial acts promptly undertaken by Respondent and cooperation afforded the Commission staff.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Renew Energy’s Offer.

Accordingly, pursuant to Section 9(f) of the Investment Company Act and Rule 610(c) of Regulation E, it is hereby ORDERED that:

A. Respondent Renew Energy cease and desist from committing or causing any violations and any future violations of Sections 17(g), 18(d), 18(i), and 23(a) of the Investment Company Act and Rule 17g-1 thereunder.
B. The Regulation E exemption as to Respondent Renew Energy be, and hereby is, permanently suspended.

By the Commission.

Florence E. Harmon
Acting Secretary