

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 75996 / September 28, 2015**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-16836**

**In the Matter of**

**STEVEN J. MUEHLER,  
ALTERNATIVE  
SECURITIES MARKETS  
GROUP CORP., AND  
BLUE COAST  
SECURITIES CORP., dba  
GLOBALCROWDTV,  
INC., AND BLUE COAST  
BANC,**

**Respondents.**

**ORDER INSTITUTING  
ADMINISTRATIVE AND CEASE-  
AND-DESIST PROCEEDINGS  
PURSUANT TO SECTIONS 15(b)  
AND 21C OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Steven J. Muehler, Alternative Securities Markets Group Corp. (“ASMG”), and Blue Coast Securities Corp. (“Blue Coast”), dba GlobalCrowdTV, Inc. and Blue Coast Banc (collectively “Respondents”).

**II.**

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. Steven J. Muehler (“Muehler”), age 40, resides in Marina Del Rey, California. He is not registered with the Commission in any capacity and is not associated with a registered broker-dealer. He founded ASMG and Blue Coast and was fully responsible for their operations at all relevant times. In April 2009, the Minnesota Department of Commerce issued a cease-and-desist order against Muehler and a Muehler-controlled company, ordering them to cease and desist from fraudulent conduct in the offer of unregistered securities and from acting as an unregistered broker-dealer in Minnesota. In August 2010, the California Department of Corporations found that Muehler and a Muehler-controlled entity had offered unregistered securities to at least one investor in California and ordered them to desist and refrain from doing so.

2. Alternative Securities Markets Group Corporation, also known as Alternative Securities Markets Group, is a California corporation located in Marina Del Rey, California. It is not registered with the Commission in any capacity and was owned, operated, and controlled by Muehler at all relevant times. Although ASMG was incorporated in October 2014, Muehler used the name to do business as early as April 2014.

3. Blue Coast Securities Corp., dba GlobalCrowdTV, Inc. and Blue Coast Banc, is a California corporation located in Marina Del Rey, California. It is not registered with the Commission in any capacity and was owned, operated, and controlled by Muehler at all relevant times.

B. RESPONDENTS’ FRAUDULENT SCHEME AND UNLAWFUL  
BROKER-DEALER ACTIVITY

SUMMARY

1. Since at least August 2013, Muehler and his companies, Blue Coast and ASMG, have offered to help small businesses raise money from investors. The Respondents offer to structure and prepare securities offerings, shepherd the offerings through the Commission review process, and then market the securities to the investing public. Although none of them was registered as a broker-dealer, and Muehler was not associated with a registered broker-dealer, during this time, they have offered and agreed to effect securities transactions for customers over the Internet, primarily under Regulation A in connection with proposed securities offerings.

2. To persuade small businesses to sign up for their services, Respondents falsely claim they have helped other small businesses raise millions of dollars from investors, and that they work with securities counsel to ensure the offerings are lawful. They have also failed to disclose sanctions imposed against Muehler by state securities regulators for acting as an unregistered broker-dealer and defrauding small business customers in past iterations of Muehler’s fraudulent scheme. Through their scheme, Respondents have signed more than thirty small businesses as customers, collected

more than \$50,000 in fees, and acquired common stock from their customers as part of payment for their services.

3. Upon signing issuer customers, Respondents take significant steps to offer and sell securities to investors, including filing Regulation A offering statements with the Commission and marketing the offerings to investors. Commission staff have notified Respondents that there are significant deficiencies in the offering statements filed by Muehler, many of which Muehler has not meaningfully addressed. Nonetheless, Respondents continue to operate their scheme and to lull issuer customers by assuring them that they are on the verge of qualifying under Regulation A and raising investor funds.

## FACTS

### IDENTIFICATION AND SOLICITATION OF ISSUER CUSTOMERS

4. Since at least August 2013, Muehler has been in the business of offering to help small business customers raise money from investors through Blue Coast and ASMG. Prior to April 2014, Muehler marketed his services using Blue Coast, which, at times, he operated using the names “GlobalCrowdTV, Inc.” and “Blue Coast Banc.” Muehler began marketing his services under the name of ASMG in approximately April 2014. Blue Coast and ASMG, however, are merely the most recent iterations of Muehler’s unregistered broker-dealer business, which he has operated using various entity names since at least 2008.

5. Muehler identifies potential customers on crowdfunding websites and sends unsolicited emails offering to help them raise money from investors. Small business owners who express interest receive marketing materials and follow-up calls from Muehler. Respondents also market themselves to prospective customers through Internet posts, web-based press releases, and sophisticated-looking websites they control, such as [www.alternativesecuritiesmarket.com](http://www.alternativesecuritiesmarket.com) (the “Website”). The Website describes the “Alternative Securities Market” as the “First Primary and Secondary Market for Regulation A, Regulation S and Regulation D Securities,” and Muehler has used the Website to advertise the “financial services” that ASMG offers to issuers and investors, including “Initial Public Offerings” and “ASM Listing Broker” services.

### BROKER-DEALER SERVICES OFFERED TO SMALL BUSINESSES

6. Although none of the Respondents was registered as a broker-dealer, and Muehler was not associated with a registered broker-dealer, during the relevant period of misconduct, Respondents have held themselves out as broker-dealers that provide broker-dealer services and other “issuer services.” For the stated purpose of helping customers raise capital from investors, Respondents have offered to:

- list securities for sale on the “Alternative Securities Market” and “BlueCoastBanc.com”;
- structure the terms of proposed offerings;

- prepare offering memoranda and registration statements;
- help customers qualify to sell securities under Regulation A;
- ensure proposed offerings comply with all applicable laws;
- market the offered securities to potential investors, including registered investment advisers and venture capitalists;
- identify and screen potential investors;
- provide an online portal for investors to purchase customers' securities;
- handle investor payments online;
- transfer and hold digital stock certificates;
- purchase customers' securities not sold to investors; and
- provide a secondary market for customers' securities.

#### ADDITIONAL BROKER-DEALER ACTIVITY

7. In addition to offering broker-dealer services to prospective customers, Respondents have undertaken significant efforts to effect securities transactions between their issuer customers and investors, including helping issuers structure the terms of proposed offerings.

8. Respondents have advertised the proposed offerings as well, including on the Website and through Internet-based press releases. A press release that Muehler circulated on the Internet in July 2014, for instance, lists twenty-seven "IPOs" scheduled for the Alternative Securities Market in August and September 2014, and states that ASMG "expects the securities of Companies listed on the Alternative Securities Market to become quoted on the OTCQB, OTCQX or the NASDAQ Capital Markets within approximately one to four years of IPO or Listing on the Alternative Securities Market." The version of the Website that was available to the public in July 2014, and which Muehler marketed to investors over the Internet, provided a webpage for each customer that listed the terms of the proposed offering, included a link to the customer's offering statement, and included an "INVEST" button that led to an investor login page. As of at least June 2015, the Website listed eighteen companies as purportedly available for "trading" on the Alternative Securities Market.

9. Respondents have also marketed their customers' securities in promotional videos made available to the public on the Website and YouTube, in which

Muehler recommended specific offerings to potential investors and directed them to the Website to invest. In a video for at least one customer, Muehler stated that the customer's securities were already available for sale on the Alternative Securities Market to accredited investors and would be available to all investors upon qualification under Regulation A.

10. Respondents also solicit potential investors to participate on the Alternative Securities Market and have taken steps to register and screen investors for appropriate investments. For example, in one promotional video for the Alternative Securities Market, Muehler explained to potential investors that they can trade securities through ASMG as they could on "e\*trade." As of August 2014, Muehler estimated that a hundred potential investors had expressed interest in participating on the Alternative Securities Market, including by signing up on the Website and contacting ASMG via email. Respondents also received accreditation information from investors they solicited.

#### CUSTOMER AGREEMENTS AND TRANSACTION-BASED COMPENSATION

11. Through "Listing & Direct Public Offering And Marketing Agreements" with customers (the "Customer Agreements"), Respondents offer their broker-dealer services in return for up-front fees, monthly fees, a percentage of the funds raised, and an equity stake in each issuer, the size of which depends on the offering's success. In some instances, Respondents have received a vested right to common stock from a customer upon signing a Customer Agreement, along with the right to receive more common stock if the offering is successful. In some instances, Respondents have taken an additional stake in an offering's success by agreeing to purchase any of the customer's newly issued securities not sold to investors.

#### RESPONDENTS' FALSE AND FRAUDULENT STATEMENTS, OMISSIONS AND DECEITFUL CONDUCT

12. To encourage small business owners to sign with them and, thus, to obtain fees, common stock, and other compensation, Respondents have made false and misleading statements and omissions, and engaged in other deceptive practices, including misrepresentations that Muehler made personally in telephone conversations and emails. Examples include:

- falsely stating that Respondents have helped customers raise millions of dollars from investors;
- falsely stating that ASMG is a registered broker-dealer firm;
- falsely stating that Respondents were working with securities counsel to ensure the lawfulness of the proposed offerings;
- using "Legal@asmmarketsgroup.com" and references to ASMG's "Legal Dept." to create the false impression

that ASMG has in-house counsel;

- falsely describing ASMG as an established financial services company with the ability to make multi-million-dollar loans;
- agreeing to use investment funds controlled by Muehler to purchase securities not sold to investors without disclosing that the funds had neither assets nor a reasonable expectation of having assets to satisfy the guarantees;
- falsely stating that customer fees are used to pay SEC filing fees and that the SEC plans to dramatically increase its filing fees; and
- assuring issuer customers that Regulation A qualification for their offerings is forthcoming despite notice of significant deficiencies in the offering statements on file.

13. Respondents also misled prospective customers by emphasizing their experience raising millions of dollars for small businesses through exempt offerings, and promising to do the same for prospective customers, without disclosing that Muehler's experience includes being disciplined by state securities regulators for promoting unregistered securities and defrauding the issuers of those securities. In April 2009, the Minnesota Department of Commerce ordered Muehler and a Muehler-controlled company to cease and desist from engaging in fraudulent conduct in offering securities and from acting as an unregistered broker-dealer in Minnesota. The order states that Muehler offered to solicit investors for customers who were attempting to start new businesses; offered unregistered securities to investors; acted as an unregistered broker-dealer; and "engaged in fraudulent and deceptive practices by failing to return advance fees that were obtained from customers under the premise that the fees were refundable." In August 2010, the California Department of Corporations concluded that Muehler and another Muehler-controlled entity had offered unregistered securities to at least one investor in California and ordered them to desist and refrain from doing so.

### C. VIOLATIONS

1. As a result of the conduct described above, Respondents willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which make it unlawful to employ any manipulative or deceptive devices in connection with the purchase or sale of securities.

2. As a result of the conduct described above, Respondents willfully violated Section 15(a)(1) of the Exchange Act, which makes it unlawful for any broker or dealer to use the mails or any other means of interstate commerce to "effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security"

unless that broker or dealer is registered with the Commission in accordance with Section 15(b) of the Exchange Act.

### **III.**

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondents pursuant to Section 15(b)(6) of the Exchange Act including, but not limited to, disgorgement and civil penalties pursuant to Section 21B of the Exchange Act;

C. Whether, pursuant to Section 21C of the Exchange Act, Respondents should be ordered to cease and desist from committing or causing violations of and any future violations of Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder; whether Muehler should be prohibited, conditionally or unconditionally, and permanently or for such period of time as shall be determined, from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act, or that is required to file reports pursuant to Section 15(d) of the Exchange Act; whether Respondents should be ordered to pay a civil penalty pursuant to Section 21B(a) of the Exchange Act; and whether Respondents should be ordered to pay disgorgement pursuant to Sections 21B(e) and 21C(e) of the Exchange Act.

### **IV.**

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If any Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, that Respondent may be deemed in default and the proceedings may be determined against him/it upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondents as provided for in the Commission's Rules of Practice.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Brent J. Fields  
Secretary