

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 78933 / September 26, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17574

In the Matter of

Accel Brands, Inc.,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS AND NOTICE OF HEARING
PURSUANT TO SECTION 12(j) OF THE
SECURITIES EXCHANGE ACT OF 1934**

I.

The Securities and Exchange Commission (“Commission”) deems it necessary and appropriate for the protection of investors that public administrative proceedings be, and hereby are, instituted pursuant to Section 12(j) of the Securities Exchange Act of 1934 (“Exchange Act”) against Accel Brands, Inc. (“Accel Brands” or the “Respondent”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Accel Brands (formerly AccelPath, Inc.) (CIK No. 1077800) is a Delaware corporation headquartered in National Harbor, Maryland with a class of securities registered with the Commission pursuant to Exchange Act Section 12(g). Accel Brands is a smaller reporting company under Rule 12b-2 of the Exchange Act. As of August 22, 2016, the common stock of ACLP was quoted on OTC Link (formerly “Pink Sheets”) operated by OTC Markets Inc. (“OTC Link”), had seven market makers, and was eligible for the “piggyback” exception of Exchange Act Rule 15c2-11(f)(3).

B. APPLICABLE REPORTING REQUIREMENTS

2. Exchange Act Section 13(a) and the rules promulgated thereunder require issuers of securities registered pursuant to Exchange Act Section 12 to file with the Commission current and accurate information in periodic reports, even if the registration is voluntary under Section 12(g). Specifically, Rule 13a-1 requires issuers to file annual reports, Rule 13a-11 requires issuers to file current reports, and Rule 13a-13 requires domestic issuers to file quarterly reports.

3. Under Item 1.01 of Form 8-K, a registrant must disclose its entry into a material definitive agreement, not made in the ordinary course of business of the registrant, that provides for obligations that are material to and enforceable against the registrant. Under Item 3.02 of Form 8-K, a smaller reporting company must disclose unregistered sales of equity securities unless such sales, in the aggregate since its last report filed under this Item 3.02 or its last periodic report, whichever is more recent, constitute less than five percent of the number of shares outstanding of the class of equity securities sold. For both items, the registrant must file within four business days of the date of the occurrence or when such agreement becomes enforceable against the registrant.

C. FAILURE TO FILE CURRENT REPORTS

4. On October 7, 2013, Accel Brands entered into an agreement with a financing company (“financing agreement”) pursuant to which Accel Brands sold shares of its common stock to the financing company in an unregistered transaction. The financing agreement provided for obligations that were material to and enforceable against Accel Brands.

5. As calculated on the date of the financing agreement, Accel Brands was required to issue an amount of common stock in excess of 700 percent of the then last reported number of common stock issued and outstanding.

6. Accel Brands failed to file a Form 8-K with the Commission within four business days of the financing agreement becoming enforceable against it.

7. Between July 1, 2013 and January 1, 2014, Accel Brands sold at least seven convertible notes that, in aggregate, constituted an amount of common stock in excess of 690 percent of the then last reported number of common stock issued and outstanding as of the date of sale.

8. Accel Brands failed to file a Form 8-K with the Commission within four business days of the sale of any of the convertible notes.

9. Between February 1, 2014 and March 1, 2014, Accel Brands sold at least three convertible notes that, in aggregate, constituted an amount of common stock in excess of 35 percent of the then last reported number of common stock issued and outstanding as of the date of sale.

10. Accel Brands failed to file a Form 8-K with the Commission within four business days of the sale of any of the convertible notes.

D. DELINQUENT PERIODIC FILINGS

11. Accel Brands is delinquent in their periodic filings with the Commission, having last filed a periodic report with the Commission for the period ended March 31, 2015.

12. Accel Brands failed to respond to the notice sent to it by the Division of Enforcement or through Accel Brands’ failure to maintain a valid address on file with the Commission as required by Commission rules, did not receive such notice.

13. As a result of the foregoing, Accel Brands failed to comply with Exchange Act Section 13(a) and Rules 13a-1, 13a-11, 13a-13 thereunder.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate for the protection of investors that public administrative proceedings be instituted to determine:

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

B. Whether it is necessary and appropriate for the protection of investors to suspend for a period not exceeding twelve months, or revoke the registration of each class of securities registered pursuant to Section 12 of the Exchange Act of the Respondent hereof, and any successor under Exchange Act Rules 12b-2 or 12g-3, and any new corporate names of Respondent.

IV.

IT IS HEREBY ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened 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 HEREBY FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within ten (10) days after service of this Order, as provided by Rule 220(b) of the Commission's Rules of Practice [17 C.F.R. § 201.220(b)].

If Respondent fails to file the directed Answer, or fails to appear at a hearing after being duly notified, the Respondent, and any successor under Exchange Act Rules 12b-2 or 12g-3, and any new corporate names of Respondent, may be deemed in default and the proceedings may be determined against 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].s

This Order shall be served forthwith upon Respondent personally or by certified, registered, or Express Mail, or by other means permitted by the Commission Rules of Practice.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 120 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice [17 C.F.R. § 201.360(a)(2)].

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