

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 83434/ June 19, 2018

INVESTMENT ADVISERS ACT OF 1940
Release No. 4943 / June 19, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18543

In the Matter of

RONALD A. FOSSUM JR.,

Respondent.

**CORRECTED ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Ronald A. Fossum Jr. (“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 him and the subject matter of these proceedings and the findings contained in paragraph 2 below, which is admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that

1. Fossum was the president of, owned a majority interest in, and controlled SMFG, Inc. ("SMFG"), Smart Money Secured Income Fund Manager, LLC ("Smart Money Manager"), and Turnkey Investment Fund Manager, LLC ("Turnkey Manager") through which he managed and served as an investment adviser to three private funds: (1) Smart Money Secured Income Fund, LLC ("Smart Money Fund"), which invested principally in real estate, websites, oil and gas ventures, and securities; (2) Turnkey Investment Fund, LLC ("Turnkey Fund"), which invested in oil and gas ventures; and (3) Accelerated Asset Group, LLC ("Accelerated Asset"), which invested in distressed consumer debt (Smart Money, Turnkey Fund, and Accelerated Asset are, collectively, the "SMFG Funds"). Fossum acted as an unregistered broker or dealer for Turnkey Fund. Fossum was an independent insurance agent registered as an insurance producer with the state of Washington. Fossum was never registered as or associated with a broker-dealer registered with the Commission. Fossum, 51 years old, is a resident of Lake Stevens, Washington.

2. On June 7, 2018, a Final Judgment was entered by consent against Fossum, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled United States Securities and Exchange Commission v. Ronald A. Fossum, Jr., et al., Civil Action Number 2:17-cv-01894-JCC, in the United States District Court for the Western District of Washington.

3. The Commission's Complaint alleged that, from 2011 through 2016, Fossum and three entities he owned and controlled raised roughly \$20 million from over one hundred investors through multiple unregistered offerings of securities issued by the three investment funds. In connection with raising investor money and managing and advising the investment funds, the Commission's Complaint alleged that Fossum engaged in multiple fraudulent and deceptive acts, including misrepresenting the financial condition of the funds, misstating management compensation, misappropriating fund assets for personal expenses, and commingling fund assets.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Fossum's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, and Section 203(f) of the Advisers Act, that Respondent Fossum be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act, Respondent Fossum be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Brent J. Fields
Secretary