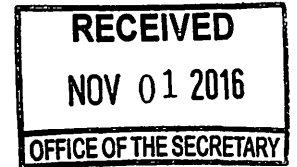


**HARD COPY**

**UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**



**ADMINISTRATIVE PROCEEDING  
File No. 3-17574**

**In the Matter of**

**ACCEL BRANDS, INC.**

:  
:  
: **U.S. SECURITIES AND**  
: **EXCHANGE COMMISSION'S**  
: **RESPONSE TO ORDER**  
: **POSTPONING HEARING**  
:  
:  
:

Comes Now the U.S. Securities and Exchange Commission (hereinafter "Division" or "Commission"), by and through undersigned counsel, and hereby files this Response to the Court's Order postponing the October 24, 2016 hearing previously scheduled for this matter.

As set forth in the Declaration of Robert F. Schroeder, attached hereto as Exhibit 1, on October 4, 2016, Matthew F. McNamara, an Assistant Regional Director in the Division of Enforcement of the U.S. Securities and Exchange Commission in its Atlanta Regional Office, returned a telephone message that had been left by Mr. Janon Costley, the Respondent's CEO, at the Atlanta Regional Office. Mr. McNamara supervised the investigation from which this proceeding arises. When Mr. McNamara returned Mr. Costley's message, Mr. Costley told him that he had seen the order the Commission issued suspending trading in the securities of Respondent pursuant to Section 12(k) of the Exchange Act for a period of ten business days, and asked Mr. McNamara what his (Mr. Costley's) options were. Mr. McNamara told Mr. Costley that he could not provide him with legal advice, and directed Mr. Costley to Rule of Practice 550.

As further set forth in Items A and B to Exhibit 1, the Division has determined, based upon the U.S. Postal Service Express Mail tracking number provided by the Office of the Secretary and the documentation subsequently generated by the U.S. Postal Service, that an envelope containing the OIP and Notice of Hearing in the above-referenced case was delivered by Express Mail to Respondent's business address, as identified in its most recent EDGAR filing, on October 16, 2016. Item A to Exhibit 1, the Express Mail tracking printout, reflects the notation "Business Closed" on that date. Item B to Exhibit 1, the envelope which contained the OIP and Notice of Hearing, reflects the notations "return to sender" and "unable to forward." Item B was returned to the Commission's mail room the following day. See Exhibit 1, Paragraphs 5 – 8, and Items A and B to Exhibit 1.

The Office of the Secretary also served an envelope containing a copy of the OIP and Notice of Hearing upon the Respondent's listed registered agent by certified mail, which was signed as having been received by the registered agent on October 11, 2016. See Exhibit 1, Paragraph 9, and Item C to Exhibit 1.

On October 13, 2016, undersigned counsel received a voice-mail message from a representative of Respondent's registered agent, who advised that it had received Respondent's OIP and Notice of Hearing. The representative stated that Respondent's registered agent "no longer have a contact for that entity and the e-mail [it sent to Respondent] bounced-back" {sic}. See Exhibit 1, Paragraph 10.

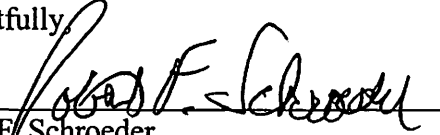
According to a recent determination by Chief ALJ Murray *In the Matter of Medient Studios, Inc., a/k/a Moon River Studios, Inc.*, AP File No. 3-17570), the Division would satisfy its service requirements by serving the Respondent at its listed EDGAR address, and receiving written confirmation that delivery was made, even if the Respondent did not receive it. See

Exhibit 1, Paragraph 9 and Item D to Exhibit 1, at P. 4, line 4 through P. 5, line 16; P. 6, lines 2 – 11; and, P. 6, line 22 through P. 7, line 4.

WHEREFORE, based upon the aforementioned, the Division requests that the Court find that it properly served Respondent in the above-referenced matter.

October 31, 2016

Respectfully,

By:   
Robert F. Schroeder  
Senior Trial Counsel  
Division of Enforcement  
Direct Dial: (404) 942-0688  
E-mail: [schroederr@sec.gov](mailto:schroederr@sec.gov)

Attorneys for Plaintiff  
**U. S. SECURITIES AND EXCHANGE COMMISSION**  
950 East Paces Ferry Road, NE, Suite 900  
Atlanta, GA 30326  
Telephone: (404) 842-7600  
Facsimile: (404) 842-7666

# EXHIBIT 1

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17574**

**In the Matter of**

**ACCEL BRANDS, INC.**

:  
:  
: **DIVISION OF**  
: **ENFORCEMENT'S**  
: **DECLARATION REGARDING**  
: **THE STATUS OF SERVICE**  
: **UPON RESPONDENT**  
:  
:

**DECLARATION OF ROBERT F. SCHROEDER (EXHIBIT 1)**

1. My name is Robert F. Schroeder. I am over the age of eighteen and have personal knowledge of the facts set forth herein.
2. I am a Senior Trial Counsel in the Division of Enforcement of the U.S. Securities and Exchange Commission ("Division") in its Atlanta Regional Office, and have held this position during the pendency of the matter from which this proceeding arises.
3. I am the trial attorney assigned to the case, and, in that capacity, am familiar with what has transpired during it.
4. I make this Declaration (Exhibit 1) in response to Judge James Grimes's Order Postponing Hearing, requiring the Division "to file a declaration regarding the status of service of the OIP on Respondent."
5. On October 4, 2016, Matthew F. McNamara, an Assistant Regional Director in the Division of Enforcement of the U.S. Securities and Exchange Commission in its Atlanta Regional Office, returned a telephone message that had been left by Mr. Janon Costley, the

Respondent's CEO, at the Atlanta Regional Office. Mr. McNamara supervised the investigation from which this proceeding arises. When Mr. McNamara returned Mr. Costley's message, Mr. Costley told him that he had seen the order the Commission issued suspending trading in the securities of Respondent pursuant to Section 12(k) of the Exchange Act for a period of ten business days, and asked Mr. McNamara what his (Mr. Costley's) options were. Mr. McNamara told Mr. Costley that he could not provide him with legal advice, and directed Mr. Costley to Rule of Practice 550.

6. The Office of the Secretary provided me with the U.S. Express Mail tracking number (# 70132630000226218366) for the envelope containing the OIP and Notice of Hearing that was mailed by the Secretary to the above-referenced Respondent in this proceeding.

7. I inputted the aforementioned tracking number into the U.S. Postal Service's ("USPS's") package tracking system on its Internet website located at [www.usps.com](http://www.usps.com). It generated a tracking confirmation, which confirmed the delivery of the OIP and Notice of Hearing upon the Respondent (*See* Item A, attached to this Declaration).

8. According to Item A, the envelope containing the OIP and Notice of Hearing was delivered to the Respondent's business address on October 16, 2016. Item A further reflects the notation "Business Closed", and that the OIP and Notice of Hearing were returned to the Commission's mail room the following day.

9. A copy of the envelope containing the OIP and Notice of Hearing that was delivered to the Respondent's business is attached to this Declaration as Item B. Item B reflects the address shown on Respondent's most recent EDGAR filing -- 137 National Plaza, Suite 300, National Harbor, MD 20745 -- and contains the notations "return to sender" and "unable to forward."

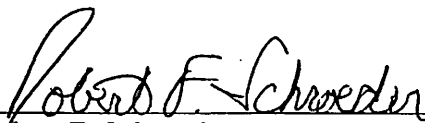
10. The Office of the Secretary also served a copy of the OIP and Notice of Hearing upon Respondent's listed registered agent, VCorp Services, LLC, 1013 Centre Road, Suite 403-B, Wilmington, DE 19805, by certified U.S. Mail, return receipt requested (attached to this Declaration as Item C). According to Item C, the OIP and Notice of Hearing were delivered to and signed by Respondent's registered agent on October 11, 2016.

11. On October 13, 2016, undersigned counsel received a voice-mail message from a representative of VCorp Services, LLC, who advised that it had received a copy of the OIP and Notice of Hearing. The representative further stated that VCorp Services, LLC, "no longer have a contact for that entity and the e-mail [it sent to Respondent] bounced-back" {sic}.

12. According to this Declaration as Item D is the transcript of a prehearing conference held on October 13, 2016, by Chief ALJ Murray *In the Matter of Mediant Studios, Inc., a/k/a Moon River Studios, Inc.*, AP File No. 3-17570. During that prehearing conference, Chief ALJ Murray ruled that the Division would satisfy its service requirements by serving the Respondent at its listed EDGAR address, and receiving written confirmation that delivery was made, even if the Respondent did not receive it. Like *Mediant*, the Office of the Secretary also served the Respondent's registered agent by registered mail in this matter. See P. 4, line 4 through P. 5, line 16; lines 2-11; and, P. 6, line 22 through P. 7, line 4.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on October 31, 2016.

  
Robert F. Schroeder

**ITEM A**



English

Customer Service

USPS Mobile

Register / Sign In



# USPS Tracking®

Still Have Questions?  
Browse our FAQs >

 Get Easy Tracking Updates >  
Sign up for My USPS.

Tracking Number: 70132630000226218366

Updated Delivery Day: Monday, October 17, 2016

## Product & Tracking Information

Postal Product:

Features:  
Certified Mail™

| DATE & TIME                 | STATUS OF ITEM          | LOCATION             |
|-----------------------------|-------------------------|----------------------|
| October 17, 2016 , 11:08 am | Delivered, To Mail Room | WASHINGTON, DC 20549 |

Your item has been delivered to the mail room at 11:08 am on October 17, 2016 in WASHINGTON, DC 20549.

|                               |                          |                           |
|-------------------------------|--------------------------|---------------------------|
| October 16, 2016 , 12:18 pm   | Business Closed          | WASHINGTON, DC 20549      |
| October 16, 2016 , 9:46 am    | Arrived at Hub           | WASHINGTON, DC 20018      |
| October 10, 2016 , 7:01 pm    | Arrived at USPS Facility | MERRIFIELD, VA 22081      |
| September 29, 2016 , 6:58 am  | Departed USPS Facility   | CAPITOL HEIGHTS, MD 20790 |
| September 28, 2016 , 8:07 pm  | Arrived at USPS Facility | CAPITOL HEIGHTS, MD 20790 |
| September 28, 2016 , 6:17 pm  | Departed USPS Facility   | GAITHERSBURG, MD 20898    |
| September 27, 2016 , 11:08 pm | Arrived at USPS Facility | GAITHERSBURG, MD 20898    |

## Available Actions

Text Updates

Email Updates

## Track Another Package

Tracking (or receipt) number

Track It

## Manage Incoming Packages

Track all your packages from a dashboard.  
No tracking numbers necessary.

Sign up for My USPS >



**HELPFUL LINKS**

[Contact Us](#)  
[Site Index](#)  
[FAQs](#)

**ON ABOUT.USPS.COM**

[About USPS Home](#)  
[Newsroom](#)  
[USPS Service Updates](#)  
[Forms & Publications](#)  
[Government Services](#)  
[Careers](#)

**OTHER USPS SITES**

[Business Customer Gateway](#)  
[Postal Inspectors](#)  
[Inspector General](#)  
[Postal Explorer](#)  
[National Postal Museum](#)  
[Resources for Developers](#)

**LEGAL INFORMATION**

[Privacy Policy](#)  
[Terms of Use](#)  
[FOIA](#)  
[No FEAR Act EEO Data](#)

Copyright © 2016 USPS. All Rights Reserved.

---

**ITEM B**

REGU

MAIL STOP 1090  
WASHINGTON, D.C. 20540

OFFICIAL BUSINESS

7013 2630 0002 2621 8366



To: Secretary

Department:

Phone:

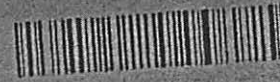
Route: HQ-10b

Mail Stop: 1090

Building: SP2

Package Type: Courier Room

Sender Name: Return to Sender



70132630000226218366

10/17/2016 1:28:01 PM

RECEIVED  
OCT 18 2016  
OFFICE OF THE SECRETARY

Accel Brands Inc  
137 National  
Suite  
National Harbor, MD 20745

3- 17574

~~Handwritten signature~~  
Amk

NIXIE 207452215-1N 10/08/16

RETURN TO SENDER  
UNABLE TO FORWARD  
UNABLE TO FORWARD  
RETURN TO SENDER



CERTIFIED

No. 804/063 07P

MAIL

**ITEM C**

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece.

Accel Brands, Inc.  
 c/o VCorp Services, LLC  
 Registered Agent  
 1013 Centre Road  
 Suite 403-B  
 Wilmington, DE 19805

8041064  
 OCP

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X *Jana B*  Agent  
 Addressee

B. Received by (Printed Name)

3- 17574

C. Date of Delivery

*3/10/16*  
 Sent from item 1?  Yes  
 Address below:  No



9590 9402 1612 6053 4299 22

2. Article Number (Transfer from service label)

7013 2630 0002-2621-8373

3. Service type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9000

Domestic Return Receipt

**ITEM D**

1:1 UNITED STATES SECURITIES AND EXCHANGE COMMISSION

2

3 In the Matter of: )

4 )File No. 3-17570

5 MEDIENT STUDIOS, INC., a/k/a )

6 MOON RIVER STUDIOS, INC. )

7

8 PAGES: 1 through 11

9 PLACE: Securities and Exchange Commission

10 950 East Paces Ferry Road, Suite 900

11 Atlanta, Georgia 30326

12 DATE: Thursday, October 13, 2016

13

14 The above-entitled matter came on for hearing,

15 pursuant to notice, at 10:00 a.m.

16

17

18

19

20

21

22

23

24 Diversified Reporting Services, Inc.

25 (202) 467-9200



2:1 APPEARANCES:

2

3 On behalf of the Securities and Exchange Commission:

4 W. SHAWN MURNAHAN, ESQ.

5 JOSHUA M. DICKMAN, ESQ.

6 950 East Paces Ferry Road

7 Suite 900

8 Atlanta, Georgia 30326

9 (404) 842-7669

10 murnahanw@sec.gov

11

12 On behalf of the Respondent:

13 (No appearance.)

14

15

16

17

18

19

20

21

22

23

24

25

3:1

P R O C E E D I N G S

2                   JUDGE MURRAY: My name is Brenda Murray and  
3 I'm a federal administrative law judge with the  
4 Securities and Exchange Commission, and this is the  
5 first pre-hearing conference, the Administrative  
6 Proceeding File Number 3-17570 in the matter of  
7 Medient Studios, Inc., also known as Moon River  
8 Studios, Inc.

9                   It's a proceeding under 12J of the  
10 Securities and Exchange Act, and it was instituted by  
11 the Commission on September 23rd, 2016. Okay. From  
12 the Division of Enforcement, do you want to state  
13 your name on the record?

14                  MR. MURNAHAN: Yes, Your Honor. This is  
15 Shawn Murnahan. I am trial counsel here in the  
16 Atlanta office. With me is Josh Dickman who is  
17 senior counsel on the investigative side here in  
18 Atlanta.

19                  JUDGE MURRAY: Good. Okay. Do we have  
20 anybody representing the respondent?

21                  MR. MURNAHAN: Unfortunately, at this  
22 point, Your Honor, we do not. I don't know if you  
23 had a chance to see the filing that I made yesterday  
24 at close of business.

25                  JUDGE MURRAY: Right.

4:1                   MR. MURNAHAN: But we did file, as you had  
2    asked, a declaration of service that laid out what we  
3    have done so far and what we propose to do.

4                   JUDGE MURRAY: Let me tell you that -- that  
5    on these, the office has quite a few of these 12J  
6    cases. They're -- they're probably the largest  
7    component of the workload. But anyway, so we've --  
8    we've done an awful lot of work on them, and the  
9    service is always -- not always, but in many  
10   instances, the service is a problem.

11                   And in this case it was -- it got very  
12   sticky, because when I went on EDGAR to two double  
13   check that service was to the last -- to the address  
14   on the last filing, I got confused and had to ask the  
15   law clerk for help because I don't know whether you  
16   or one of your assistants did that, but there's a  
17   filing in there on a different company.

18                   It's called Medient -- MediJane Holdings,  
19   Inc. and it's an 8-K that was filed on July 31st,  
20   2015, and I don't know why it's in the Medient  
21   Studios EDGAR, but it is. And -- and that has a --  
22   that last filing of that company was in Colorado, so  
23   that threw me off completely.

24                   But then we -- we -- my law clerk figured  
25   that, that was wrong. So we looked, and the last

5:1 filing that we could come up with was an 8-K under  
2 the name of Moon River. Okay?

3 MR. MURNAHAN: Okay.

4 JUDGE MURRAY: And that has -- that has the  
5 address that the Commission used to -- to send the  
6 certified mail. If you look at that 141(a)(2), I  
7 think it's double I --

8 MR. MURNAHAN: Yes, ma'am.

9 JUDGE MURRAY: -- the mailing has to be  
10 done by the United States Postal Service. It's  
11 not -- it can't -- to take advantage of that, you  
12 have to use United States Postal Service by  
13 certified, registered, or I guess it's express mail.  
14 So I had a problem with your use of United Parcel  
15 Service, except on the -- you served the registered  
16 agent.

17 Or you didn't -- yeah, you served the  
18 registered agent, but you -- you again used United  
19 Parcel Service. But when the agency -- when  
20 Commission's Office of the Secretary sent out the  
21 original order instituting proceedings way back when  
22 the proceeding was instituted, it sent it to -- it  
23 sent it to the -- to the right address. It sent it  
24 to the -- the -- what is it -- the 135 Goshen Road,  
25 Extension Exit, Suite 205, Rincon, Georgia, I think.

6:1 MR. MURNAHAN: Yes, Your Honor.

2 JUDGE MURRAY: And that, if you go into the  
3 tracking for -- the online tracking for U.S. Postal  
4 Service, it says that -- that United States Postal  
5 Service people tried to deliver it, and according to  
6 the -- to printout, it says, "Notice left. No  
7 authorized recipient available."

8 That, in my opinion, satisfies the  
9 Commission's service requirements, and that was  
10 accomplished on the -- September 29th. Do you -- do  
11 you follow me on this, Mr. Murnahan?

12 MR. MURNAHAN: I --

13 JUDGE MURRAY: It's very confusing.

14 MR. MURNAHAN: I do, Your Honor, and I  
15 wanted to say first, I apologize for the use of UPS.  
16 My reading of the rule had been that express mail was  
17 not a form of -- of U.S. Postal Service mail, but  
18 could be used as any, you know, carrier like a UPS or  
19 a FedEx as long as you got a signature confirmation  
20 that it was, in fact, delivered. I apologize for the  
21 misunderstanding.

22 JUDGE MURRAY: It's -- well, you could very  
23 well be right, but we always have -- this office, I  
24 think every single judge in the office has always --  
25 has always interpreted that addressed the individual

7:1 by U.S. Postal Service, certified, registered, or  
2 express mail and obtaining a confirmation of receipt.  
3 We've always required that it be by USPS. Don't ask  
4 me why.

5 MR. MURNAHAN: I understand.

6 JUDGE MURRAY: A lot of division counsel do  
7 what you do -- did and used United Parcel Service,  
8 but we've always -- we've always stuck with the  
9 other. Okay.

10 MR. MURNAHAN: Yes, Your Honor.

11 JUDGE MURRAY: So if we've got service and  
12 we have a -- have a respondent -- let's see. Has the  
13 ten days expired? No. The ten days wouldn't have  
14 expired for the answer. So we'll have to wait to see  
15 whether the respondent files an answer. If the  
16 respondent does not file an answer and they didn't  
17 appear at a pre-hearing conference and -- have you  
18 heard from them in any respect?

19 MR. MURNAHAN: We have not, Your Honor.  
20 We've had no contact.

21 JUDGE MURRAY: Okay. Then I can make a  
22 judgment that they have not otherwise contested the  
23 proceeding because there's nothing on the  
24 Commission's database that they made any formal  
25 filings. The agency has come out with a case a while

8:1 back that said, in situations like this, we should  
2 all also ask for a Show Cause Order.

3 So if I -- if we don't get an answer, I  
4 will issue a show cause order requiring that the  
5 respondent reply to the order; and if it doesn't do  
6 so, then I will issue a initial decision on default.  
7 I assume you want revocation of the registered  
8 securities?

9 MR. MURNAHAN: Yes, Your Honor. I think  
10 that's the only relief we're seeking.

11 JUDGE MURRAY: Okay. All right. Then  
12 that's -- that's what -- that's what I will do as  
13 soon as the -- we'll get the Show Cause Order out --  
14 today's Thursday. We'll -- we'll get it out either  
15 tomorrow or Monday and then we'll proceed from there.

16 MR. MURNAHAN: Very good, Your Honor. My  
17 sense of what we have said is that at this point in  
18 time, the division doesn't need to provide the Court  
19 with any particular information or filings to further  
20 this along.

21 JUDGE MURRAY: No. I think we're okay. As  
22 long as I've got service and I've got no appeals, the  
23 statute is -- is rather strict and the case law under  
24 the statute is rather strict that revocation is the  
25 appropriate -- appropriate course to follow. So I

9:1 think -- I think the record is complete.

2 MR. MURNAHAN: Thank you, Your Honor. We  
3 appreciate it.

4 JUDGE MURRAY: Okay. If there's nothing  
5 else, then I'll recess the pre-hearing conference.

6 MR. MURNAHAN: Thank you, Your Honor.

7 JUDGE MURRAY: Thank you, Mr. Murnahan.

8 (Whereupon, at 10:15 a.m., the pre-hearing  
9 conference was concluded.)

10 \* \* \* \* \*

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25



10:1

PROOFREADER'S CERTIFICATE

2

3 In The Matter of: MEDIENT STUDIOS, INC.,  
4 a/k/a MOON RIVER STUDIOS, INC.  
5 ADMINISTRATIVE PROCEEDING - PRE-HEARING CONFERENCE  
6 File Number: 3-17570  
7 Date: Thursday, October 13, 2016  
8 Location: Atlanta, GA

9

10 This is to certify that I, Maria E.  
11 Paulsen, (the undersigned), do hereby swear and  
12 affirm that the attached proceedings before the U.S.  
13 Securities and Exchange Commission were held  
14 according to the record and that this is the  
15 original, complete, true and accurate transcript that  
16 has been compared to the reporting or recording  
17 accomplished at the hearing.

18

19

20 \_\_\_\_\_  
(Proofreader's Name) (Date)

21

22

23

24

CERTIFICATE OF SERVICE

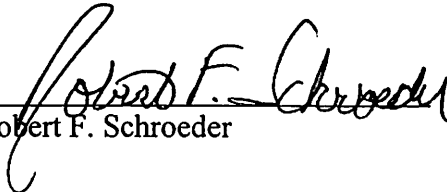
The undersigned counsel for the Division of Enforcement hereby certifies that he has served the foregoing via facsimile, email, and overnight delivery as indicated below:

Brent J. Fields  
Office of the Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090  
(VIA Facsimile, E-mail, and Overnight Delivery)

Honorable James E. Grimes  
Administrative Law Judge  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090  
(Via E-Mail and Overnight Delivery)

Accel Brands, Inc.  
c/o VCorp Services, LLC  
Registered Agent  
1013 Centre Road  
Suite 403-B  
Wilmington, DE 19805  
(Via E-Mail and Overnight Delivery)

DATED: October 31, 2016

  
Robert F. Schroeder