

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 91250 / March 3, 2021

Admin. Proc. File No. 3-19809

In the Matter of  
AMERICAN REALTY FUNDS CORPORATION

ORDER REGARDING SERVICE

On May 22, 2020, the Securities and Exchange Commission issued an order instituting proceedings (“OIP”) against American Realty Funds Corporation (“Respondent”) pursuant to Section 12(j) of the Securities Exchange Act of 1934.<sup>1</sup> On September 23, 2020, the Division of Enforcement filed a Notice of Filing that attached the declaration of a process server. In the declaration, the process server stated that, although he had been “unable to make personal or substitute service” of the OIP and other papers on Respondent, he had posted them on September 8, 2020, at the main entrance of the address served, which was locked and not open for business.

Commission Rule of Practice 141(a)(2)(ii) provides that service of an order instituting proceedings may be made on “an issuer of a class of securities registered with the Commission,” such as Respondent “by sending a copy of the order addressed to the most recent address shown on the entity’s most recent filing with the Commission by U.S. Postal Service certified, registered, or Express Mail and obtaining a confirmation of attempted delivery.”<sup>2</sup> Service on persons other than natural persons may also be made “by delivering a copy of the order instituting proceedings to an officer, managing or general agent, or any other agent authorized by appointment or law to receive such notice” or by any method specified in Rule 141(a)(2)(i) for service on individuals.<sup>3</sup> In turn, Rule 141(a)(2)(i) provides that service may be made “by delivering a copy of the order instituting proceedings to the individual or to an agent authorized

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<sup>1</sup> *American Realty Funds Corp.*, Exchange Act Release No. 88935, 2020 WL 2613153 (May 22, 2020).

<sup>2</sup> 17 C.F.R. § 201.141(a)(2)(ii).

<sup>3</sup> *Id.*; 17 C.F.R. § 201.141(a)(2)(i).

by appointment or by law to receive such notice.”<sup>4</sup> “Delivery means—handing a copy of the order to the individual; or leaving a copy at the individual’s office with a clerk or other person in charge thereof; or leaving a copy at the individual’s dwelling house or usual place of abode with some person of suitable age and discretion then residing therein; or sending a copy of the order addressed to the individual by U.S. Postal Service certified, registered or Express Mail and obtaining a confirmation of receipt; or giving confirmed telegraphic notice.”<sup>5</sup>

It does not appear that the posting of the OIP described in the process server’s declaration satisfies any of these requirements. Accordingly, it is ORDERED that the Division of Enforcement file a status report concerning service of the OIP by March 31, 2021, and every 28 days thereafter until service is accomplished.

The parties’ attention is called to the Commission’s March 18, 2020 order regarding the filing and service of papers, which provides that pending further order of the Commission parties to the extent possible shall submit all filings electronically at [apfilings@sec.gov](mailto:apfilings@sec.gov).<sup>6</sup> Also, the Commission’s Rules of Practice were recently amended to include new e-filing requirements, which take effect on April 12, 2021.<sup>7</sup>

For the Commission, by the Office of the General Counsel, pursuant to delegated authority.

Vanessa A. Countryman  
Secretary

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<sup>4</sup> 17 C.F.R. § 201.141(a)(2)(i).

<sup>5</sup> *Id.*

<sup>6</sup> *Pending Administrative Proceedings*, Exchange Act Release No. 88415, 2020 WL 1322001 (Mar. 18, 2020), <https://www.sec.gov/litigation/opinions/2020/33-10767.pdf>.

<sup>7</sup> *Amendments to the Commission’s Rules of Practice*, Exchange Act Release No. 90442, 2020 WL 7013370 (Nov. 17, 2020), 85 Fed. Reg. 86,464, 86,474 (Dec. 30, 2020), <https://www.govinfo.gov/content/pkg/FR-2020-12-30/pdf/2020-25747.pdf>; *see also Instructions for Electronic Filing and Service of Documents in SEC Administrative Proceedings and Technical Specifications*, <https://www.sec.gov/efapdocs/instructions.pdf>. The amendments also impose other obligations on parties to administrative proceedings such as a new redaction and omission of sensitive personal information requirement. *Amendments to the Commission’s Rules of Practice*, 85 Fed. Reg. at 86,465–81.