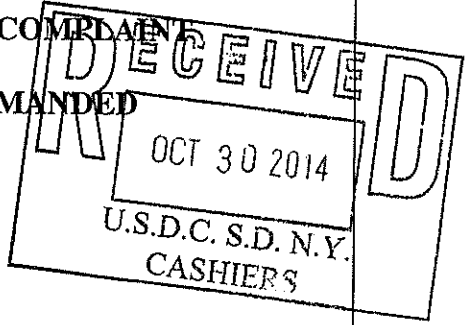


**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

BERNARD PRIEVER, Individually And On Behalf Of All Others Similarly Situated, <p align="center">Plaintiff,</p> <p align="center">vs.</p> AMERICAN REALTY CAPITAL PROPERTIES INC., LISA P. MCALISTER, and BRIAN S. BLOCK, <p align="center">Defendants.</p>	Civil Action No. 14-_____ CLASS ACTION COMPLAINT JURY TRIAL DEMANDED
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Plaintiff Bernard Priever ("Plaintiff"), individually and on behalf of all other persons similarly situated, by his undersigned attorneys, alleges the following based upon personal knowledge as to Plaintiff's own acts, and upon information and belief as to all other matters. Plaintiff's allegations are based on the investigation conducted by Plaintiff's attorneys, which included, among other things: (a) a review and analysis of American Realty Capital Properties Inc. ("ARCP" or the "Company") public filings with the United States Securities and Exchange Commission ("SEC"); (b) a review and analysis of certain press releases, public statements, and other publications disseminated by or concerning ARCP and the defendants named herein and related parties; (c) a review and analysis of ARCP's press conferences, analyst conference calls, conferences, presentations, and corporate website; and (d) a review and analysis of other publicly available information concerning ARCP and the defendants named herein.

I. SUMMARY OF THE ACTION

1. This is a federal securities class action on behalf of a class consisting of all persons or entities who purchased ARCP securities: (1) on the open market from May 8, 2014 through October 28, 2014 (the "Class Period") or (2) pursuant or traceable to the Registration Statement in connection with the Company's public offering of 138 million shares of its common stock

conducted on or around May 21, 2014, seeking to recover damages caused by defendants' violations of the federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") (15 U.S.C. § 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder (17 C.F.R. § 240.10b-5).

2. ARCP is a real estate investment trust. According to the Company's public statements, ARCP is focused on owning and acquiring single tenant freestanding commercial real estate properties subject to medium-term leases with high credit quality tenants.

3. During the Class Period, Defendants filed with the SEC materially false and misleading financial statements, which overstated ARCP's non-controlling interests in the calculation of adjusted funds from operations ("AFFO"). AFFO is a key metric for real estate investment trusts ("REIT") such as ARCP as it measures the Company's earnings and cash flow. As such, the Company consistently represented during the Class Period that the use of AFFO "assists investors and analysts to better assess the sustainability of our ongoing operating performance without the impacts of transactions that are not related to the ongoing profitability of our portfolio of properties."

4. On October 29, 2014, before the markets opened, ARCP disclosed that it had replaced its Chief Financial Officer and Chief Accounting Officer after the Company's Audit Committee identified intentional financial statement errors. In particular, the Company's Audit Committee concluded that the Company incorrectly included certain amounts related to its non-controlling interests in its calculation of AFFO "for the three months ended March 31, 2014 and as, a result, overstated AFFO for this period." Moreover, the Company disclosed "that this error was identified but intentionally not corrected, and other AFFO and financial statement error was intentionally made, resulting, in an overstatement of AFFO and an understatement of the

Company's net loss for the three and six months ended June 30, 2014." Consequently, the Company revealed that previously issued financial statements for the fiscal year ended December 31, 2013, and the quarterly periods ended March 31, 2014 and June 30, 2014, "should no longer be relied upon."

5. It was reported by the *Wall Street Journal* that the SEC "intends to launch an inquiry into the accounting irregularities." The article noted that the total magnitude for overstating the AFFO was \$12 million, or 8.8% for the first quarter of 2014, and \$10.9 million, or 5.6% for the second quarter of 2014.

6. On this news, ARCP common stock traded as low as \$7.85 per share on October 29, 2014, a decline in excess of \$4.50 per share from the prior day's close. Moreover, ARCP traded approximately 231 million shares on October 29, 2014, approximately 19 times greater than the average daily volume during the Class Period—further reflecting the significance of the revelations to investors.

II. JURISDICTION AND VENUE

7. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. § 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder (17 C.F.R. § 240.10b-5).

8. This Court has jurisdiction over the subject matter of this action pursuant to § 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1331.

9. Venue is proper in this District pursuant to §27 of the Exchange Act, 15 U.S.C. §78aa and 28 U.S.C. §1391(b), as ARCP conducts business in this District. Among other things, ARCP's common shares traded on the NASDAQ Global Market ("NASDAQ"), located within this District.

10. In connection with the acts, conduct and other wrongs alleged in this Complaint,

defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mail, interstate telephone communications and the facilities of the national securities exchange.

III. THE PARTIES

11. Plaintiff Bernard Prierer purchased ARCP securities in reliance on defendants' materially false and misleading statements and omissions of material facts and the integrity of the market for ARCP securities at artificially inflated prices during the Class Period, and was damaged when the truth about ARCP that was misrepresented and omitted during the Class Period was revealed to the market. The certification of Bernard Prierer, with a listing of his transactions in ARCP securities during the Class Period, is annexed hereto.

12. Defendant ARCP is a self-managed commercial real estate investment trust focused on investing in single tenant freestanding commercial properties subject to net leases with high credit quality tenants. ARCP owns approximately 4,400 properties totaling 99.1 million square feet of leasable space. Additionally, ARCP acquires and manages assets on behalf of the Cole Capital non-traded REITs, managing nearly \$30 billion of high-quality real estate located in 49 states, as well as Washington D.C., Puerto Rico and Canada. The Company is headquartered in New York and its shares are listed on the NASDAQ under the symbol "ARCP."

13. Defendant Lisa P. McAlister ("McAlister") was at all relevant time, the Company's Senior Vice President and Chief Accounting Officer.

14. Defendant Brian S. Block ("Block") was ARCP's Executive Vice President from December 2010 to December 2013, and its Chief Financial Officer until his termination in October 29, 2014.

15. Defendants McAlister and Block are collectively referred to herein as the "Individual Defendants." The Individual Defendants and Defendant ARCP are collectively

referred to herein as the “Defendants.”

IV. CLASS ACTION ALLEGATIONS

16. Plaintiff brings this action as a class action on behalf of a Class, consisting of all persons who purchased ARCP securities (1) on the open market during the Class Period or (2) pursuant or traceable to the Registration Statement in connection with the Company’s public offering of 138 million shares of its common stock conducted on or around May 21, 2014, and who were damaged thereby.

17. This action is brought pursuant to Federal Rules of Civil Procedure 23(a) and 23(b)(3).

18. The members of the Class are so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are potentially thousands of members in the proposed Class. During the Class Period, approximately 925 million shares of ARCP common stock were outstanding. The proposed Class may be identified from records maintained by ARCP or its transfer agent and may be notified of the pendency of this action by mail using a form of notice similar to that customarily used in securities class actions.

19. Plaintiff’s claims are typical of the claims of the members of the Class. Plaintiff purchased ARCP securities on the public market during the Class Period and was damaged by Defendants’ violations of the Exchange Act. All members of the Class are similarly affected by Defendants’ wrongful conduct.

20. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with the Class he seeks to represent.

21. Common questions of law and fact exist as to all members of the Class and

predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- a. whether Sections 10(b) or 20(a) the Exchange Act, or Rule 10b-5 promulgated thereunder, were violated by Defendants' acts as alleged herein;
- b. whether ARCP's filings with the SEC, including its quarter-end and year-end reports, the documents referenced therein, and/or subsequent public statements by Defendants on behalf of ARCP were materially false or misleading;
- c. whether Defendants acted with scienter in misrepresenting and/or omitting to state material facts;
- d. whether the market price of ARCP securities was artificially inflated due to the material misrepresentations and/or non-disclosures complained of herein; and
- e. to what extent Plaintiff and members of the Class have sustained damages and the proper measure of damages.

22. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

**V. MATERIALLY FALSE AND MISLEADING
STATEMENTS ISSUED DURING THE CLASS PERIOD**

First Quarter ended March 31, 2014

23. On May 8, 2014, before the markets opened, the Company announced financial and operating results for the quarter ended March 31, 2014. For the quarter, the Company reported net loss of \$332.3 million, or \$0.61 net loss per share and revenue of \$320.6 million, as compared to net loss of \$141.2 million, or \$0.84 net loss per share and revenue of \$42.9 million for the same period a year ago. The Company also reported AFFO of \$147.4 million or \$0.26 per share.

24. On May 8, 2014, the Company filed a quarterly report for the period ended March 31, 2014 on a Form 10-Q with the SEC, which was signed by Defendant Block, and reiterated the Company's previously announced quarterly financial results and financial position. In addition, the Form 10-Q contained signed certifications pursuant to Sarbanes-Oxley Act of 2002 ("SOX") by Defendant Block, stating that the financial information contained in the Form 10-Q was accurate and disclosed any material changes to the Company's internal control over financial reporting.

25. In the 10-Q, the Company represented that the exclusion of income and expense items from its "calculation of AFFO provides information consistent management's analysis of the operating performance of the properties." In addition, the Company represented that the use of funds from operations ("FFO") "and AFFO, together with the required U.S. GAAP presentations, provide a more complete understanding of our performance relative to our peers and a more informed and appropriate basis on which to make decisions involving operating, financing, and investing activities." The Company further represented the significance of AFFO in assessing ARCP's financial performance:

We exclude certain income or expense items from AFFO that we consider more reflective of investing activities, other non-cash income and expense items and the income and expense effects of other activities that are not a fundamental attribute of our business plan. These items include unrealized gains and losses, which may not ultimately be realized, such as gains or losses on derivative instruments, gains or losses on contingent valuation rights, gains and losses on investments and early extinguishment of debt. In addition, by excluding non-cash income and expense items such as amortization of above and below market leases, amortization of deferred financing costs, straight-line rent and non-cash equity compensation from AFFO we believe we provide useful information regarding income and expense items which have no cash impact and do not provide us liquidity or require our capital resources. By providing AFFO, we believe we are presenting useful information that assists investors and analysts to better assess the sustainability of our ongoing operating performance without the impacts of transactions that are not related to the ongoing profitability of our portfolio of properties. We also believe that AFFO is a recognized measure of sustainable operating performance by the REIT industry. Further, we believe AFFO is useful in comparing the sustainability of our operating performance with the sustainability of the operating performance of other real estate companies that are not as involved in activities which are excluded from our calculation. Investors are cautioned that AFFO should only be used to assess the sustainability of our operating performance excluding these activities, as it excludes certain costs that have a negative effect on our operating performance during the periods in which these costs are incurred.

Public Offering of 138 Million Shares of ARCP Common Stock

26. On May 21, 2014, the Company announced the pricing of a public offering of 120,000,000 shares of its common stock at a price of \$12.00 per share. ARCP also granted the underwriters a 30-day option to purchase up to 18,000,000 additional shares of common stock. The Company stated in the press release that it “intends to use the net proceeds of the offering (a) to repay outstanding indebtedness under its existing credit facility and (b) for other general corporate purposes.”

27. On May 23, 2014, the Company filed a Prospectus Supplement on a Form 424B5 related to the Registration Statement filed with the SEC on a Form 8-A on August 1, 2011 (collectively, “Registration Statement”) in connection with the public offering of 120,000,000

shares at a price of \$12.00 per share where it incorporated by reference, among other SEC filings, the Company's quarterly report on Form 10-Q for the quarterly period ended March 31, 2014.

28. On May 28, 2014, the Company announced the closing of its public offering of 138,000,000 shares of its common stock. ARCP received total net proceeds of approximately \$1.59 billion, after deducting underwriting discounts, commissions and estimated expenses.

Second Quarter ended June 30, 2014

29. On July 29, 2014, the Company announced financial and operating results for the quarter ended June 30, 2014. For the quarter, the Company reported net loss of \$63.4 million, or \$0.08 net loss per share and revenue of \$382 million, as compared to net loss of \$72.2 million, or \$0.36 net loss per share and revenue of \$54.9 million for the same period a year ago. The Company also reported AFFO of \$205.3 million or \$0.24 per share.

30. On July 29, 2014, the Company filed a quarterly report for the period ended June 30, 2014 on a Form 10-Q with the SEC, which was signed by Defendants Block and McAlister, and reiterated the Company's previously announced quarterly financial results and financial position. In addition, the Form 10-Q contained signed certifications pursuant to SOX by Defendant Block, stating that the financial information contained in the Form 10-Q was accurate and disclosed any material changes to the Company's internal control over financial reporting.

31. In the 10-Q, the Company represented that the exclusion of income and expense items from its "calculation of AFFO provides information consistent management's analysis of the operating performance of the properties." In addition, the Company represented "that the use FFO and AFFO, together with the required U.S. GAAP presentations, provide a more complete understanding of our performance relative to our peers and a more informed and appropriate basis on which to make decisions involving operating, financing, and investing activities." The

Company further represented the significance of AFFO in assessing ARCP's financial performance:

We exclude certain income or expense items from AFFO that we consider more reflective of investing activities, other non-cash income and expense items and the income and expense effects of other activities that are not a fundamental attribute of our business plan. These items include unrealized gains and losses, which may not ultimately be realized, such as gains or losses on derivative instruments, gains or losses on contingent valuation rights, gains and losses on investments and early extinguishment of debt. In addition, by excluding non-cash income and expense items such as amortization of above and below market leases, amortization of deferred financing costs, straight-line rent and non-cash equity compensation from AFFO we believe we provide useful information regarding income and expense items which have no cash impact and do not provide us liquidity or require our capital resources. By providing AFFO, we believe we are presenting useful information that assists investors and analysts to better assess the sustainability of our ongoing operating performance without the impacts of transactions that are not related to the ongoing profitability of our portfolio of properties. We also believe that AFFO is a recognized measure of sustainable operating performance by the REIT industry. Further, we believe AFFO is useful in comparing the sustainability of our operating performance with the sustainability of the operating performance of other real estate companies that are not as involved in activities which are excluded from our calculation. Investors are cautioned that AFFO should only be used to assess the sustainability of our operating performance excluding these activities, as it excludes certain costs that have a negative effect on our operating performance during the periods in which these costs are incurred.

32. The statements referenced in ¶¶ 23-25; 29-31 above were materially false and/or misleading because they misrepresented and failed to disclose the following adverse facts, which were known to defendants or recklessly disregarded by them, including that: (i) the Company was intentionally overstating its adjusted funds from operations while understating the Company's net losses by improperly including certain amounts related to its non-controlling interests on a net basis; (ii) the Company failed to timely accrue certain expenses of approximately \$10.5 million; (iii) the Company's internal controls and procedures were deficient; and (iv) as a result of the above, the Company's financial statements filed with the SEC were materially false and misleading at all relevant times.

VI. THE TRUTH EMERGES

33. On October 29, 2014, before the market opened, the Company issued a press release disclosing that the Company's Audit Committee has concluded that its previously issued financial statements for the year ended December 31, 2013, and the quarterly periods ended March 31, 2014 and June 30, 2014 "should no longer be relied upon." The Company also disclosed that effective immediately, Defendants Block and McAlister resigned from their respective positions.

34. The Company revealed that based on the Audit Committee's preliminary findings of the investigation,

the Audit Committee believes that the Company incorrectly included certain amounts related to its non-controlling interests in the calculation of adjusted funds from operations ("AFFO"), a non-U.S. GAAP financial measure, for the three months ended March 31, 2014 and, as a result, overstated AFFO for this period. The Audit Committee believes that this error was identified but intentionally not corrected, and other AFFO and financial statement errors were intentionally made, resulting in an overstatement of AFFO and an understatement of the Company's net loss for the three and six months ended June 30, 2014.

Based on the preliminary findings of the investigation, the Company has identified the potential adjustments shown on the attached financial table to the Company's reported net loss in accordance with U.S. GAAP for the three and six months ended June 30, 2014 and to reported AFFO for the three months ended March 31, 2014 and the three and six months ended June 30, 2014. The Company notes that, in calculating AFFO for the first quarter of 2014, the Company reported non-controlling interests on a net basis, while in the second quarter of 2014, as permitted, the Company reported non-controlling interests on a gross basis (which it will continue to do in calculating AFFO in future periods). The weighted average number of shares used in calculating AFFO differs depending on whether the net or gross method is used (but does not change for purposes of calculating net loss per share in accordance with U.S. GAAP). The investigation is ongoing and there can be no assurance that the potential adjustments set forth in the attached financial table will not change based upon the final results of the investigation, and any such change could be material.

The Audit Committee has indicated that nothing has come to its attention that leads it to believe that there are any errors in the Company's previously issued audited consolidated financial statements for the fiscal year ended December 31, 2013 contained in the Company's 2013 Form 10-K. However, the Audit Committee has expanded its investigation to encompass the Company's audited financial statements for this period in light of the fact that the Company's former Chief

Financial Officer and former Chief Accounting Officer had key roles in the preparation of those financial statements.

Management does not expect this matter to impact any previously announced transactions, including the sale of Cole Capital to RCS Capital Corp. (NYSE: RCAP), which the Company expects to be completed next week and the sub-advisory agreement with ARC Global II. The identified potential adjustments would not affect the Company's compliance with the financial ratios in its debt covenants.

In light of the preliminary findings of the Audit Committee's investigation, the Company is re-evaluating its financial reporting controls and procedures. The Company intends to make the necessary changes to its controls and procedures to remediate any control deficiencies that are identified through the Audit Committee's investigation.

35. The Company held a conference call where the Company's Chief Executive Officer, David Kay disclosed that in the second quarter, that certain actions were taken "in order to conceal the error from the first quarter." In addition, Kay disclosed that certain expenses "should have been accrued in the second that ended up resulting in accrual in the third quarter instead. Those numbers were roughly \$10.5 million."

36. It was reported by the *Wall Street Journal* that the SEC "intends to launch an inquiry into the accounting irregularities." According to the article, Defendants Block and McAlister resigned "after determining the company had overstated a measure of income in the first quarter, and that the executives chose not to correct the error in the second quarter." The article noted that the total magnitude for overstating the AFFO was \$12 million, or 8.8% for the first quarter of 2014, and \$10.9 million, or 5.6% for the second quarter of 2014.

37. As a result, ARCP common stock plummeted over \$4.50 per share to trade as low as \$7.85 per share on October 29, 2014.

VII. SCIENTER ALLEGATIONS

38. The Individual Defendants were senior officers of ARCP during the Class Period

and had final approval authority over the public statements issued in the name of the Company. Block was the Chief Financial Officer of ARCP; and McAlister was the Company's Chief Accounting Officer. The Individual Defendants were identified as approving or certifying the accuracy of ARCP's reported financial results and internal controls. As discussed herein, the Company has admitted that many of those results were misstated identified but intentionally not corrected, and other AFFO and financial statements errors were intentionally made," and are now being restated or investigated for possible restatement. The adjusted funds from operations is a key metrics for Companies such as ARCP as AFFO is a key measure of a REIT's performance and cash flow, and ultimately, the Company's financial condition. Defendant Block signed and/or certified the Company's the Form 10-Qs for the first and second quarters of 2014. Defendant McAlister signed the Form 10-Q for the second quarter of 2014.

39. For the Form 10-Qs issued during the Class Period, pursuant to SOX, Defendant Block certified that the Company's respective reports did "not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading." Moreover, Defendant Block certified that they had "[e]valuated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures." In light of the magnitude of ARCP's subsequently reported lack of internal controls and errors in financial reporting, there is a strong inference that the individual defendants' certification of ARCP's internal controls were intentionally or knowingly false.

40. Further, Defendants Block and McAlister were critical players in intentionally committing this fraudulent wrongdoing as indicated in ARCP's October 29, 2014 press release

stated that the Company's Audit Committee will "expand its investigation to encompass the Company's" 2013 Form 10-K "in light of the fact that the Company's former Chief Financial Officer and former Chief Accounting Officer had key roles in the preparation of those financial statements." Moreover, the Company's Chief Executive Officer, David Kay has acknowledged that intentional accounting errors were made as the "accounting issues are unacceptable and we are taking the personnel and other actions necessary to ensure that this does not happen again."

VIII. LOSS CAUSATION

41. During the Class Period, as detailed herein, Defendants engaged in a scheme to deceive the market and a course of conduct that artificially inflated the prices of ARCP securities and operated as a fraud or deceit on Class Period purchasers of ARCP securities by failing to disclose and misrepresenting the adverse facts detailed herein. When Defendants' prior misrepresentations and fraudulent conduct were disclosed, or materialized, and became apparent to the market, the price of ARCP securities fell precipitously. As a result of their purchases of ARCP securities during the Class Period, Plaintiff and the other Class members suffered economic loss, i.e., damages, under the federal securities laws.

42. By failing to disclose to investors the adverse facts detailed herein, Defendants presented a misleading picture of ARCP's business and prospects, financial position, and results of operations. Defendants' false and misleading statements caused ARCP's securities to trade at artificially inflated levels throughout the Class Period.

43. The decline in value of the common was a direct result of the nature and extent of Defendants' fraud finally being revealed to investors and the market. The timing and magnitude of the price decline of ARCP securities negates any inference that the loss suffered by Plaintiff and the other Class members was caused by changed market conditions, macroeconomic or industry factors or Company-specific facts unrelated to Defendants' fraudulent conduct. The

economic loss, i.e., damages, suffered by Plaintiff and the other Class members was a direct result of Defendants' fraudulent scheme and caused the subsequent significant decline in the value of ARCP securities when Defendants' prior misrepresentations and other fraudulent conduct were revealed.

IX. INAPPLICABILITY OF STATUTORY SAFE HARBOR

44. The statutory safe harbor provided for forward-looking statements under certain circumstances under the Private Securities Litigation Reform Act of 1995 does not apply to any of the allegedly false or misleading statements set forth in this Complaint. The statements alleged to be false or misleading herein relate to then-existing facts and conditions with respect to ARCP which were not fully, fairly, or adequately disclosed. In addition, to the extent certain of the statements alleged to be false or misleading may be characterized as forward-looking, they were not adequately identified as "forward-looking statements" when made, and there were no adequate, meaningful cautionary statements identifying relevant important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Cautionary language must truthfully address specific risks, must exhaust the capacity of the positive false statements to mislead investors, and must disclose, as defendants failed to do here, then existing adverse facts. Alternatively, to the extent that the statutory safe harbor is intended to or does apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, Defendants had actual knowledge that the particular forward-looking statement was materially false or misleading. In addition, to the extent any of the statements set forth above were accurate when made, they became inaccurate or misleading because of subsequent events, and Defendants failed to update those statements which later became inaccurate.

45. The statutory safe harbor provided for forward-looking statements under certain

circumstances, moreover, does not apply to false statements or material omissions of existing facts.

46. Additionally, the safe harbor is statutorily inapplicable to the false, misleading, and incomplete annual financial statements of ARCP since they were reportedly prepared in accordance with generally accepted accounting principles.

X. APPLICABILITY OF PRESUMPTION OF RELIANCE: FRAUD ON THE MARKET

47. Plaintiff is entitled to a presumption of reliance because the claims asserted herein against Defendants are predicated in part upon false statements of material fact and/or the omission to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, that Defendants had a duty to disclose.

48. At all relevant times, the market for ARCP securities was an efficient market that promptly digested current information with respect to the Company from all publicly-available sources and reflected such information in the prices of the Company's common stock.

49. The market for ARCP securities was efficient because, inter alia, throughout the Class Period:

- a. ARCP securities met the requirements for listing, and was listed and actively traded on the NASDAQ, a highly efficient and automated market;
- b. During the Class Period, there were approximately 925 million shares of ARCP common stock outstanding, millions of shares of ARCP common stock were traded on the open market; with trading in excess of a million shares a day on the vast majority of days during the Class Period;
- c. As a regulated issuer, ARCP filed periodic public reports with the SEC and the NASDAQ;

- d. ARCP regularly communicated with public investors via established market communication mechanisms, including regular disseminations of press releases on the national circuits of major newswire services and other wide-ranging public disclosures, such as quarterly conference calls with investors, communications with the financial press and other similar reporting services, as well as presentations and various industry and market symposia and conferences; and
- e. Securities analysts followed and published research reports regarding ARCP that were publicly available to investors. Each analyst wrote reports about ARCP that were distributed to the sales force and available to customers of their respective brokerage firms. These reports were publicly available and entered the public marketplace.

50. Throughout the Class Period, ARCP was consistently followed by the market, including securities analysts as well as the business press. The market relies upon the Company's financial results and management to accurately present the Company's financial results. During this period, ARCP and the Individual Defendants continued to pump materially false information into the marketplace regarding the financial condition of the Company. This information was promptly reviewed and analyzed by the ratings agencies, analysts and institutional investors and assimilated into the price of the Company's common stock.

51. As a result of the misconduct alleged herein (including defendants' misstatements and omissions of material facts), the market for ARCP's securities was artificially inflated. Under such circumstances, the presumption of reliance available under the "fraud-on-the market" theory applies. Thus, Class members are presumed to have indirectly relied upon the misrepresentations and omissions of material facts for which defendants are each responsible.

52. Plaintiff and other Class members justifiably relied on the integrity of the market price for the Company's securities and were substantially damaged as a direct and proximate result of their purchases of ARCP securities at artificially inflated prices and the subsequent decline in the price of the securities when the truth was disclosed.

53. The market for ARCP securities promptly digested current information regarding ARCP from all publicly available sources and reflected such information in ARCP's common stock price. Under these circumstances, all purchasers of ARCP's common shares during the Class Period suffered similar injury through their purchase of shares at artificially inflated prices and a presumption of reliance applies.

XI. CAUSES OF ACTION

COUNT I (Against All Defendants)

Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder

54. Plaintiff repeats and realleges each and every allegation above as if fully set forth herein.

55. Throughout the Class Period, Defendants, directly or indirectly, engaged in a common plan, scheme and continuing course of conduct described herein, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices and a course of business which operated as a fraud upon Plaintiff and the other members of the Class; made various false statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading to Plaintiff and the other members of the Class; and employed manipulative or deceptive devices and contrivances in connection with the purchase and sale of ARCP securities.

56. The purpose and effect of Defendants' plan, scheme and course of conduct were to artificially inflate the price of ARCP securities and to artificially maintain the market price of

ARCP securities.

57. Defendants had actual knowledge of the material omissions and/or the falsity of the material statements set forth above, and intended to deceive Plaintiff and the other members of the Class, or, in the alternative, acted with severely reckless disregard for the truth when it failed to ascertain and disclose the true facts in the statements made by it to members of the investing public, including Plaintiff and the Class, and the securities analysts.

58. As a result of the foregoing, the market price of ARCP securities was artificially inflated during the Class Period. In ignorance of the falsity of Defendants' statements concerning the Company's financial statements and operations, Plaintiff and the other members of the Class relied, to their damage, on the statements described above and/or the integrity of the market price of ARCP stock during the Class Period in purchasing ARCP securities at prices which were artificially inflated as a result of Class's false and misleading statements.

59. Defendants' concealment of this material information served only to harm Plaintiff and the other members of the Class who purchased ARCP securities in ignorance of the financial risk to them as a result of such nondisclosures.

60. As a result of the wrongful conduct alleged herein, when the truth concerning Defendants' false statements and omissions was revealed to the investing public and the artificial inflation in the price of ARCP securities was, as a result, reduced and ultimately removed, in a series of corrective disclosures and/or the materialization of the concealed risks, ARCP's share price fell significantly and Plaintiff and other members of the Class suffered damages in an amount to be established at trial.

61. By reason of the foregoing, Defendants have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, and are liable to the Plaintiff and the other

members of the Class for substantial damages that they suffered in connection with their purchase of ARCP securities during the Class Period.

COUNT II
(Against Individual Defendants)
Liability Pursuant to Section 20(a) of the Exchange Act

62. Plaintiff repeats and realleges each and every allegation above as if fully set forth herein.

63. Each of the Individual Defendants, by virtue of their positions with ARCP and their specific acts, was a controlling person of ARCP within the meaning of Section 20(a) of the Exchange Act.

64. They had the power and influence and exercised same to cause ARCP to engage in the illegal conduct and practices complained of herein. Defendants were thereby and otherwise active and culpable participants in the fraud perpetrated by Defendants.

65. By reason of the conduct of ARCP as alleged in this Complaint, the Individual Defendants are liable for the aforesaid wrongful conduct of ARCP and liable to Plaintiff and the Class for the substantial damages which they suffered in connection with their purchases or acquisitions of shares as a result of ARCP's violations of the Exchange Act.

66. By reason of such conduct, Defendants are liable pursuant to Exchange Act Section 20(a).

XII. PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

A. Determining that this action is properly maintainable as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure;

B. Certifying Plaintiff as the Class Representatives and his counsel as Class Counsel;

C. Declaring and determining that Defendants violated the federal securities laws by reason of their conduct as alleged herein;

D. Awarding monetary damages against Defendants in favor of Plaintiff and the other members of the Class for all losses and damages suffered as a result of the acts and transactions complained of herein, together with prejudgment interest from the date of the wrongs to the date of the judgment herein;

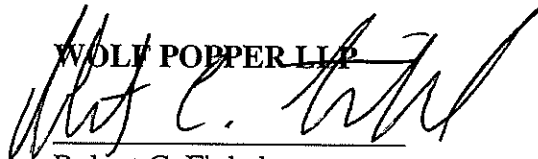
E. Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

F. Granting such other and further relief as deemed appropriate by the Court.

XIII. JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury in this action of all issues so triable.

Dated: October 30, 2014



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Attorneys for Plaintiff

**PLAINTIFF CERTIFICATION
UNDER THE FEDERAL SECURITIES LAWS**

I, Bernard Prieuer, hereby state:

1. I have reviewed the attached complaint, against American Realty Capital Properties, Inc. ("ARCP") and certain of its officers and have authorized the filing of the complaint.

2. I am willing to serve as a representative party on behalf of the Class, as defined in the complaint, including providing testimony at deposition and trial, if necessary.

3. The following includes all of my transactions in ARCP securities during the period May 6, 2013 through October 28, 2014:

<u>TRANSACTION</u>	<u>TRADE DATE</u>	<u>PRICE</u>	<u>QUANTITY</u>
Purchase	10-27-2014	\$12.75 (including commission)	500

4. I did not purchase these securities at the direction of counsel, or in order to participate in any private action arising under the federal securities laws.

5. During the three-year period preceding the date of signing this certification, I have not sought to serve, and have not served, as a representative on behalf of a class in any private action arising under the federal securities laws.

6. I will not accept any payment for serving as a representative party on behalf of the Class except to receive a pro rata share of any recovery, or as ordered or approved by the Court, including the award to a representative party of reasonable costs and expenses, including lost wages relating to the representation of the Class.

7. I declare under penalty of perjury that the foregoing is true and correct.

Executed this 30 day of October, 2014

By Bernard Prieuer
Bernard Prieuer