

**ADMINISTRATIVE PROCEEDING  
BEFORE THE  
SECURITIES COMMISSIONER OF MARYLAND**

IN THE MATTER OF: \*

WINNING MORTGAGES, LLC, \*

and \* FILE NO. 2006-0047

MTUTUZELI XUMA, \*

individually, and in his \*

capacities with the company, \*

Respondents \*

\* \* \* \* \*

**FINAL ORDER TO CEASE AND DESIST  
AND ORDER OF BAR**

WHEREAS, the Division of Securities of the Office of the Maryland Attorney General (the "Division"), pursuant to the authority granted by the Maryland Securities Act, Corporations and Associations Article, section 11-701, Annotated Code of Maryland (1999 Repl. Vol. & 2006 Cum. Supp.) (the "Act"), instituted an investigation of apparent violations of the Act by Winning Mortgages, LLC, and its agent, Mtutuzeli Xuma (together the "Respondents"); and

WHEREAS, on the basis of that investigation, the Maryland Securities Commissioner (the "Commissioner") concluded that Respondents violated the securities and selling person registration requirements and the antifraud provisions of the Act, and further determined that action against Respondents was in the public interest; and

WHEREAS, pursuant to section 11-701.1(a) of the Act, the Commissioner issued on April 3, 2007, a Summary Order To Cease And Desist and Order To Show Cause (the "Summary Order"), incorporated herein by reference, requiring Respondents to show cause why: Respondents should not be barred permanently from engaging in the securities and investment advisory business in Maryland; why a monetary penalty should not be entered against Respondents; and why a final order should not be entered ordering Respondents to cease and desist from further violations of the Act; and

WHEREAS, the Summary Order gave notice to Respondents of the opportunity for a hearing in this matter, required that each Respondent submit within 15 days of service of the Summary Order an answer including any request for a hearing, and gave notice to Respondents

that failure to do so would be deemed a waiver of the right to a hearing and result in the entry of a final order; and

WHEREAS, a copy of the Summary Order was served upon Respondent and upon the Commissioner in accordance with section 11-802 of the Act; and

WHEREAS, Neither Respondent has responded to the Summary Order or otherwise resolved this proceeding.

NOW, THEREFORE, THE COMMISSIONER FINDS AND ORDERS:

### **I. JURISDICTION**

1. The Commissioner has jurisdiction in this proceeding pursuant to section 11-701.1 of the Act.

### **II. RESPONDENTS**

2. Winning Mortgages, LLC (“WM”), is a Maryland limited liability company, with a principal operating address in Gaithersburg, Maryland.

3. Mtutuzeli Xuma (“Xuma”), whose last known address is in Gaithersburg, Maryland, is the principal of WM.

### **III. FINDINGS OF FACT**

4. On or about May 22, 2005, Respondents registered the name “GreatInterestPaid.net” as a domain name on the World Wide Web. The material transmitted on that web site, <[www.greatinterestpaid.net](http://www.greatinterestpaid.net)>, advertised for investors interested in a “great investment alternative.”

5. During all times relevant to this matter, Xuma was the principal of WM.

6. The offers of securities transmitted via the Respondents’ web site omitted to state material facts necessary in order to make the disclosure not misleading, such as relevant risk factors, current financial information, detailed uses of the proceeds, competition, and management experience and compensation, the unregistered nature of the offering and the unregistered nature of the Respondents as broker-dealers, among other material disclosures.

7. Xuma contacted the Division via email and phone calls, and met with staff of the Division regarding compliance with the requirements of the Act in connection with offers and sales of securities in or from Maryland.

8. In spite of the guidance provided to Respondents by the Division to the contrary, and following a reasonable time to do so, Respondents failed to remove from their web site the general solicitation material regarding the investment opportunities offered by Respondents.

9. WM is not, and has never been registered in Maryland as a broker-dealer, and Xuma is not, and has never been, registered in Maryland as either a broker-dealer or and issuer agent.

10. On October 12, 2006, the Commissioner issued, and the Division subsequently served on Respondents, a subpoena requesting information and documents relating to the general solicitation of investors by Respondents, and the sales of securities, if any, by Respondents. Respondents did not respond to the subpoena.

#### **IV. CONCLUSIONS OF LAW**

The Commissioner concludes that:

12. The interests offered by Respondents constitute “securities” pursuant to section 11-101(r) of the Act.

13. Respondent offered securities in violation of section 11-501 of the Act in that the securities were not registered, exempt from registration, or federal covered securities.

14. Respondent acted as an unregistered broker-dealers or agents in or from Maryland in violation of section 11-401 of the Act.

15. Respondents violated section 11-301 of the Act in connection with the offer of securities by Respondents via the internet, by making untrue statements of a material fact or omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

#### **V. SANCTIONS**

NOW, THEREFORE, the Commissioner finds it to be in the public interest to issue this Final Order, and IT IS HEREBY ORDERED THAT:

16. Respondents shall permanently cease and desist from engaging in the offer or sale of unregistered, non-exempt securities in violation of section 11-501 of the Act.

17. Respondents shall permanently cease and desist from violating section 11-301 of the Act by engaging in the use of materially misleading information or omitting material

information in connection with the offer or sale of securities.

18. WM and Xuma shall permanently cease and desist from violating section 11-402 and section 11-401 of the Act, respectively, by engaging unregistered broker-dealers or issuer agents and failing to register as a broker-dealer or issuer agent.

19. Respondents are permanently barred from engaging in the securities and investment advisory businesses in Maryland for or on behalf of others, or from acting as a principal or consultant in any entity so engaged, or from acting as a broker-dealer, broker-dealer agent, issuer-agent, investment adviser, or investment adviser representative.

20. Respondents are assessed, jointly and severally, a civil monetary penalty, pursuant to section 11-702 of the Act, in the amount of \$20,000 (\$5,000 multiplied by violations of four statutory provisions), payable by certified check to "Office of the Attorney General".

**VI. JURISDICTION RETAINED**

21. Jurisdiction is retained by the Commissioner for the purposes of enabling any party to this order to apply for such further orders and directions as may be necessary or appropriate for the construction or enforcement of this order.

**SO ORDERED:**

June \_\_20\_\_, 2007

\_\_\_\_\_/S/\_\_\_\_\_  
MELANIE SENTER LUBIN  
Securities Commissioner