

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

IN THE MATTER OF:

LAMONDES WILLIAMS
and
DIVERSIFIED MARKETING
CONSULTANTS, INC.,
a.k.a. DIVERSIFIED MARKETING
CONCEPTS, Inc. a.k.a. DMC a.k.a.
SHOP D2Z,
and
DIVERSIFIED MARKETING
CONCEPTS, LLC. a.k.a. DMC
a.k.a. SHOP D2Z
and
DIGITAL-ZONE ELECTRONICS
WAREHOUSE, LLC
and
MAINLINE PROPERTIES, LLC
RESPONDENTS.

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Securities Division No. 2009-0383
OAH No. SD-50-10-26265

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FINAL ORDER

WHEREAS, the Maryland Securities Commissioner (the “Commissioner”), pursuant to the authority granted in section 11-701 of the Maryland Securities Act, Title 11, Corporations and Associations Article, Annotated Code of Maryland (2007 Repl. Vol. & Supp. 2010) (the “Securities Act”), initiated an investigation into the activities of Diversified Marketing Concepts, Inc., a.k.a. Diversified Marketing Consultants, Inc., a.k.a. DMC, a.k.a. Shop D2Z, Diversified Marketing Concepts, LLC, a.k.a. DMC, a.k.a. Shop D2Z, Digital-Zone Electronics Warehouse, LLC and Mainline Properties, LLC (collectively, “Corporate Respondents”) and Lamondes D.

Williams (“Respondent Williams”); and

WHEREAS, the Commissioner determined that Corporate Respondents and Respondent Williams (together, “Respondents”) had engaged and were about to engage in acts or practices constituting violations of the registration and antifraud provisions of the Securities Act; and

WHEREAS, on May 6, 2010, the Commissioner issued a Summary Order To Cease And Desist and Order To Show Cause against Respondents; and

WHEREAS, on June 14, 2010, the Commissioner issued a First Amended Summary Order To Cease And Desist and Order To Show Cause (the “Amended Summary Order”) against Respondents; and

WHEREAS, the Amended Summary Order gave each Respondent notice of the opportunity for a hearing in this matter, and gave notice that as to any Respondent not requesting a hearing, a Final Order To Cease And Desist would be issued imposing against that Respondent a bar from offering and selling securities in or from this State, from acting as a broker-dealer or agent or employing an agent in this State, from engaging in fraudulent acts in connection with the offer and sale of securities, and assessing a monetary civil penalty; and

WHEREAS, on or about July 16, 2010, Respondent Williams filed an Answer to the Amended Summary Order on behalf of himself and purportedly the Corporate Respondents, requesting a hearing, and the matter was referred to the Office of Administrative Hearings (“OAH”); and

WHEREAS, on July 30, 2010, the Office of Administrative Hearings (“OAH”) mailed a notice of Prehearing Conference, with instructions, to Respondent and the Securities Division, which instructions Respondent Williams repeatedly failed to follow; and

WHEREAS, the matter was assigned to the Honorable James T. Murray who, on September 15, 2010, conducted a prehearing telephone conference with T. Webster Brenner, Assistant Attorney General, appearing on behalf of the Securities Division, and Respondent Williams participating on behalf of himself and claiming to represent the Corporate Respondents; and

WHEREAS, during the prehearing telephone conference, in response to Judge Murray's inquiries, Respondent Williams stated that he and the Corporate Respondents would be represented by the law firm of Ingram & Associates and that final arrangements would be made within two days; and

WHEREAS, Judge Murray, in his September 15, 2010 Preliminary Prehearing Conference Report and Order, instructed Respondent Williams to provide a prehearing statement on or before September 20, 2010 - the date of the next prehearing telephone conference - and also directed Mr. Brenner to file as soon as practicable the discussed Motion for Default ("Motion") against all of the Respondents except Respondent Williams; and

WHEREAS, on September 15, 2010, Mr. Brenner filed a Motion for Default against the Corporate Respondents; and

WHEREAS, by the time of the September 20, 2010 prehearing telephone conference, none of the Respondents had provided a prehearing statement or any other information required, nor had they responded to the Motion; and

WHEREAS, on September 27, 2010, Judge Murray issued a Proposed Default Order as to the Corporate Respondents finding them in default and proposing that a final order be entered as to the Corporate Respondents in accord with the Commissioner's Amended Summary Order; and

WHEREAS, that Proposed Default Order gave Corporate Respondents fifteen days to file with the Commissioner a motion to vacate or modify the Proposed Default Order; and

WHEREAS, that period expired and none of the Corporate Respondents filed a motion to vacate or modify the Proposed Default Order; and

WHEREAS, on September 27, 2010, Judge Murray also issued a Preliminary Prehearing Conference Report and Order, instructing Respondent Williams to provide a prehearing statement and other information by October 5, 2010; and

WHEREAS, on October 21, 2010, Mr. Brenner filed a Motion for Default against Respondent Williams alleging that Respondent Williams did not file a prehearing statement or any other information required, nor had Respondent Williams complied with discovery; and

WHEREAS, on November 22, 2010, Judge Murray issued a second Proposed Default Order finding Respondent Williams in default and proposing that a final order be entered as to Respondent Williams in accord with the Commissioner's Amended Summary Order; and

WHEREAS, that Proposed Default Order gave Respondent Williams fifteen days to file with the Commissioner a motion to vacate or modify the default order; and

WHEREAS, that period expired and Respondent Williams did not file a motion to vacate or modify the Proposed Default Order; and

WHEREAS, the Commissioner has determined that it is in the public interest to issue this Final Order.

NOW, THEREFORE, THE COMMISSIONER FINDS AND ORDERS:

I. JURISDICTION

1. The Commissioner has jurisdiction in this proceeding and over Respondents

pursuant to section 11-701.1 of the Securities Act.

II. RESPONDENTS

2. Lamondes D. Williams (“Monte Williams”), with an address in Clinton, Maryland, at all relevant times has been the principal of Diversified Marketing Concepts, Inc.

3. Diversified Marketing Concepts, a.k.a. Diversified Marketing Concepts, Inc., a.k.a. Diversified Marketing Concepts LLC, a.k.a. Diversified Marketing Consultants, Inc., a.k.a. DMC, a.k.a. Shop D2Z (“DMC”), with addresses in Laurel and Gambrills, Maryland, at all relevant times has been engaged in soliciting “members” or “employees” into its program with the promise of commissions from future recruitments and reduced cost auto and apartment leases in exchange for the payment of advance fees.

4. Shop D2Z is the online shopping service of DMC, and at all relevant times has been affiliated with DMC in providing leases and in connection with the supposed sale of cell phones.

5. Mainline Properties, LLC (“Mainline”), with an address in Laurel, Maryland, at all relevant times has been affiliated with DMC, in part to manage the application process by which DMC “employees” are placed into rental apartments.

6. Digital-Zone Electronics Warehouse, LLC (“Digital-Zone”), with an address in Gambrills, Maryland, at all relevant times has been affiliated with DMC in providing leases and paying rent for apartments, and in connection with the supposed sale of cell phones. DMC opened a store for Digital-Zone on Reisterstown Road in Baltimore to sell cell phones and other electronic goods, but DMC kept the store open for only about a month. Digital-Zone was a

source of payments or commissions to the “sales reps” (the “members,” or prior investors).

III. FINDINGS OF FACT

7. Beginning in 2009, Respondents began offering investors the opportunity to become “employees” or “members” of DMC by paying an application fee, and subsequently monthly fee, of \$100 in exchange for the opportunity to earn commissions and, for a highly-discounted advance fee, the use of an apartment or car for a year.

8. Respondents conducted frequent meetings in hotels around the metro Baltimore area, including the Hyatt Owings Mills, the Mount Vernon in Baltimore, the Reisterstown Hilton, the Radisson in Baltimore, and others.

9. The meetings were open to the public, and invitation was primarily by word of mouth.

10. At those meetings various DMC spokespersons, including Lamondes Williams and others, would solicit individuals to join DMC and become “sales reps.” Those joining could sign up other “sales reps” and create a downline, earning commissions for everyone who joined in or through their downline.

11. Despite some talk of commissions for selling cell phones, it was not necessary to sell any phones, goods or services; there were none. All that was required to earn commissions was to sign up other people as “reps” or provide the names of other potential “reps” who could be solicited to join.

12. Beginning in Spring 2009, Respondents held seminars in various hotels in the metro-Baltimore area for the purposes of explaining the DMC program and soliciting investors. At some times, meetings were held every night of the week in different hotels throughout the metro area.

13. The meetings were conducted by Lamondes Williams or others. Attendees were told how they could make money by investing money and becoming “sales reps.”

14. The meetings were sponsored by DMC, an umbrella company under which several affiliated or related business entities are gathered and linked together. The president of DMC was Lamondes “Monte” Williams, who brought the program to Baltimore in March 2009.

15. The entities related to DMC include Mainline Properties LLC, of which Lucillious “Lou” Williams, Monte’s brother, was president. Mainline’s function had been to manage the application process by which DMC “employees” are placed into rental apartments, with rents to be paid to the apartments usually by Digital-Zone Electronics Warehouse LLC.

16. Lou Williams also was president of Digital-Zone. DMC opened a store for Digital-Zone on Reisterstown Road in Baltimore to sell cell phones and other electronic goods. DMC kept the store open for only about a month, but then was released from the lease due to non-payment of rent. Digital-Zone was a source of payments or commissions to the sales reps (the “members,” or prior investors).

17. Digital-Zone and Mainline were involved in placing “employees” or “members” into apartments.

18. Another related entity is ShopD2Z, which was an online page for DMC.

19. As it was explained at one meeting, the purpose of the meeting was to get people to invest in DMC, and thereby acquire income, housing, and a car. An investor had to pay \$100 to join DMC and then pay \$100 a month, or could sign up by providing a list of names and telephone numbers of 5 (later changed to 25, then 100) friends or family who could be contacted about joining. Lamondes Williams increased the number of referrals required to join because the contact information for potential investors was worth more than the \$100; however, in months to follow the sales reps still had to pay the \$100.

20. After paying and joining, one investor became an “administrative employee” of DMC, and could set up her own downline and receive commissions for each person she added to the downline. The “employment” or “sales rep” agreements were between DMC and the individuals recruited.

21. It was not necessary to sell any product to make money. There was no product to sell except supposedly cell phones, but that was not clear to the sales reps until August/September 2009. The real goal was to recruit new members. The investors were told that new-member recruitment is how DMC makes money, and that was its source of income.

22. “Employees” also had the right to request a DMC-paid rental apartment once they had brought in five friends, who also brought in five, and each of them brought in five (three downlines of five each, all paying a membership fee of \$100 per month).

23. For example, a sales rep would pay Monte Williams a sum of \$3,000 to \$5,000 or more, and would be given an apartment rent-free (to the sales rep) for a year, in any of a number of residential apartment complexes in the metro area.

24. Most of the applications for the apartments were made in the name of Digital-Zone or Mainline, rather than the name of the individual applicant, who might have bad credit or job history. A DMC administrator signed the applications on behalf of DMC and the individual. Monte Williams signed for them prior to that investor's employment.

25. For those who acquired an apartment unit through Digital-Zone, payment of their BGE utility bills and Comcast cable also were included.

26. In some cases the sales reps/employees also paid Monte Williams to acquire an automobile as well as an apartment. They could choose the make of car they wanted, pay hundreds or thousands up front, and DMC would lease the car for them.

27. While working at DMC, one employee managed one payroll account from which only a few people were paid, including the sales reps' commissions, and Monte and Lou Williams, who at one time were each paid \$5,000 per week. There was another account for Digital-Zone, from which the sales reps' commissions on their downlines were paid.

28. During the time period from June to September 2009, the company's database showed that about 500 people joined DMC. Some may have joined with the initial \$99 but did not continue to pay the monthly membership fee. Some reps paid, stayed a month or two, and then left.

29. Based on the DMC database, one employee who left DMC at the end of September 2009, calculated that DMC had raised some \$800,000 since February 2009, when Monte Williams started the business in the Baltimore market.

30. By the end of 2009, about 115 investors had been placed in apartments around the area, including units in Owings Mills, Columbia, Laurel, and elsewhere.

31. Leasing arrangements were made by Respondents, and they were responsible for paying the monthly rentals for each apartment.

32. The checks paid by Respondents for the rental apartments have been returned, unpaid. Most lease payments were not being paid. The investor residents were facing eviction from their apartments long before the year's rent promised by Respondents.

33. Respondents were operating an advance fee scheme, in which investor "employees" pay to join DMC and then be able to recruit others, and pay a small fee in advance for a promised year's lease of an apartment or automobile.

34. Respondents were operating a pyramid scheme, in which Respondents' profits and an investor's/"employee's" supposed profits come not from the sales of products but from the recruitment of other investors.

35. Respondents were operating a ponzi scheme, in which an investor's/"employee's" profits and benefits, in the form of commissions or rent, come not from the sales of products but from investment monies paid to DMC by later investors.

36. The Securities Division has no record of securities registration for an offering by the name of “Diversified Marketing Concepts,” “Diversified Marketing Consultants, Inc.,” “DMC,” “Shop D2Z,” “Mainline Properties LLC,” or “Digital-Zone Electronics Warehouse.” No claim of exemption or status as a federal-covered security has been made with the Division for any such offering.

37. Diversified Marketing Concepts / Diversified Marketing Consultants, Inc. / DMC is not registered with the Securities Division as a broker-dealer, securities agent, investment adviser or investment adviser representative.

38. ShopD2Z, Mainline Properties, and Digital-Zone Electronics Warehouse are not registered as a broker-dealer, securities agent, investment adviser or investment adviser representative.

39. Lamondes Williams is not registered with the Securities Division as a broker-dealer, securities agent, investment adviser or investment adviser representative.

40. The Proposed Default Orders issued by Judge Murray are adopted, and incorporated by reference.

IV. CONCLUSIONS OF LAW

The Commissioner concludes that:

41. Respondents are in default and have waived the right to hearings in these matters.

42. Respondents violated section 11-501 of the Securities Act by offering or selling unregistered securities in Maryland in the form of interests or investment contracts, for which no

claim of preemption or exemption has been filed.

43. Respondents violated section 11-401(a) of the Securities Act by transacting business in the offer or sale of securities in Maryland as a broker-dealer or securities agent, without being registered pursuant to the Securities Act.

44. Respondents violated section 11-402(a) of the Act by employing unregistered agents for the offer or sale of securities in Maryland.

45. Respondents violated section 11-301 of the Securities Act by making material omission and misrepresentations in connection with the offer or sale of securities.

V. SANCTIONS

NOW THEREFORE, pursuant to section 11-701.1(a) of the Act, it is hereby ORDERED THAT:

46. Respondents, and each of them, their officers, directors, employees, agents and anyone else involved in the solicitation or sale of investments, immediately cease and desist from soliciting, offering, or selling investments or participatory interests in DMC in violation of the Act; and that

47. Respondents, and each of them, their employees, agents, and all persons acting under their control, permanently cease and desist from offering and selling in or from Maryland any securities whether registered or exempt from registration, and from engaging in or from Maryland in any transaction exempted under the Act, or operating in or from Maryland any form of pyramid program; and that

48. Respondents are permanently barred from offering or selling securities in

Maryland, from engaging in the securities business in Maryland as a broker-dealer or agent, from employing a broker-dealer agent in Maryland, or from acting as a principal or consultant in any entity so engaged in the securities business in Maryland; and that

49. Respondents, jointly and severally, are assessed a civil monetary penalty of \$1,000,000 for violations of the Securities Act pursuant to section 11-701.1(b) of the Act, payable by certified check to the Office of the Attorney General.

VI. JURISDICTION RETAINED

50. Jurisdiction is retained by the Securities Commissioner for the purpose 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.

VII. NOTICE OF APPEAL RIGHTS

51. Pursuant to the Code of Maryland Regulations, COMAR 02.02.06.24, each Respondent has the right to file an appeal of this Order with the Circuit Court of Maryland. Any appeal must be filed within 30 days from the date this Order is mailed by the Securities Division.

SO ORDERED:

**Commissioner's Signature is
on File with Original Order**

Dated: November 14, 2012

MELANIE SENTER LUBIN
SECURITIES COMMISSIONER