

ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND

IN THE MATTER OF:

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SOLID AD SOLUTIONS, LLC,

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and

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Case No. 2010-0376

CHRISTOPHER LEWALLEN,

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Respondents.

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**SUMMARY ORDER TO CEASE AND DESIST AND
ORDER TO SHOW CAUSE**

WHEREAS, the Securities Division of the Office of the Attorney General of Maryland (the “Division”), under the authority granted under section 14-110 of the Maryland Business Opportunity Sales Act, MD. BUS. REG. CODE ANN. §14-101 et seq. (2010 Repl. Vol. and Supp. 2010) (the “Maryland Business Opportunity Act”), initiated an investigation into offers and sales of business opportunities by Respondents Solid Ad Solutions, LLC and Christopher Lewallen (collectively “Respondents”); and

WHEREAS, as a result of that investigation, the Maryland Securities Commissioner (the “Commissioner”) has determined that Respondents engaged and may continue to engage in activities that violate the registration, disclosure and antifraud provisions of the Maryland Business Opportunity Act; and

WHEREAS, the Commissioner has determined that immediate action against Respondents is in the public interest;

NOW, THEREFORE, pursuant to section 14-110 of the Maryland Business Opportunity Act,

it is hereby

ORDERED, that Respondents immediately cease and desist from the offer or sale of any business opportunity in or from Maryland, pending a hearing in this matter or until such time as the Commissioner modifies or rescinds this Order; and it is further

ORDERED, that each Respondent show cause why a final order should not be entered against that person, ordering that person to cease and desist from offering business opportunities in violation of the Maryland Business Opportunity Act and permanently barring that person from offering or selling business opportunities in Maryland.

The Commissioner alleges the following as a basis for this Order:

I. JURISDICTION

1. The Commissioner has jurisdiction in this proceeding and over Respondents under section 14-110 of the Maryland Business Opportunity Act.

II. STATEMENT OF FACTS

A. Respondents

2. Solid Ad Solutions, LLC (“SAS”) is an Arizona limited liability company with a principal business address of 14850 N Cave Creek #2, Phoenix, AZ 85032.

3. SAS offers and sells computer software, services, and related materials that SAS represents will allow buyers to operate a business earning commissions from the sale of products and services through an Internet website.

4. Christopher Lewallen (“Lewallen”) is the owner of SAS.

B. Nature of the Respondents’ Business

5. SAS represents itself as an Internet marketing business opportunity. On its Internet

website SAS describes itself as follows:

SolidAdSolutions creates an eCommerce-enabled website in the most professional and customized design for you. Let us handle all of the technically advanced work. We will build your personalized web-site. We will provide you access to our established network of businesses. We will give you the knowledge to become an online entrepreneur. You simply collect the commissions for each and every sale!

6. The SAS website further represents that it will provide “Everything you need to be successful. A professional storefront design. Reliable and secure. The support and guidance you need.” The website also states “You sit back and collect the commissions on each sale from each and every partnered store we supply you with!”

7. SAS solicits individuals to invest in its business opportunity through telemarketers that contact individuals at home.

C. The Sale in Maryland

8. In May or June 2009, Barbara Yeakle (“Yeakle”), a resident of Bel Air, Maryland, was contacted by telephone at her home by an individual who identified himself as Paul Young from SAS.

9. Young made several calls to Yeakle’s home in June 2009 to convince her to invest in SAS’s business opportunity. He told Yeakle that SAS’s business opportunity was “guaranteed to make her money.”

10. Young explained to Yeakle that Solid Ad Solutions was marketing Internet “mini malls” that would provide her with a continuing income. Young stated that Yeakle could expect to make \$4,000 per week in from the SAS business opportunity.

11. Young promised Yeakle that he would personally help her set up her online marketing website, and that SAS would provide her with ongoing consultation and technical services to operate

an Internet website advertising goods and services for sale to the public.

12. On June 8, 2009, Yeakle paid \$18,400 to SAS in two separate transactions on two different credit cards for 2 different “custom websites” related to her SAS business opportunity. Yeakle’s agreement with SAS identified what she purchased as: 2 new domain name(s); ads and search services on google “adsense;” website hosting for 12 months; and a 2,000,000 targeted visitor marketing campaign.

13. Yeakle received a letter dated June 30, 2009 from SAS advising her that she was the “proud owner” of her own personal website; that the company was delighted to provide her with its own consulting services, along with directed visitors (2,000,000) to her websites.

14. After paying \$18,400 to SAS in June 2009, Yeakle received a telephone call from an individual who told her he was calling to set up her websites. The individual advised Yeakle that she needed additional services in order to set up her website and generate earnings. Yeakle agreed to purchase those additional services.

15. On or about July 5, 2009, Yeakle paid an additional \$6,200 for Internet services related to her SAS business opportunity, including a “6,000,000 targeted visitor marketing campaign.” Although Yeakle believed that she was contracting for these services with SAS, in fact, her \$6,200 payment was made to an entity called “Web Add Solutions, LLC.” In addition, Yeakle’s written agreement with Web Add Solutions, LLC was nearly identical to her agreement with SAS.

16. Shortly after paying \$6,200 to Web Add Solutions, LLC, the individual who called Yeakle to set up her website called Yeakle again and advised her that her \$6,200 payment entitled her to services related to only one of her websites, and he advised her to make a second payment for \$6,200 for services for both of Yeakle’s two websites. Yeakle refused.

17. For her investment in her SAS business opportunity, Yeakle obtained two mini-mall shopping websites that included links to online shopping sites offering a variety of household products, clothes, and other goods.

18. Yeakle's websites were disabled in May 2010. When Yeakle contacted SAS to complain, an SAS service representative told her that SAS had moved her two websites from "Google" to "Amazon." Yeakle was not able to access her websites after that date.

19. Yeakle has earned nothing from her \$24,600 investment in SAS. SAS no longer responds to her telephone calls.

C. Violations of the Maryland Business Opportunity Act

20. Based on the foregoing, Respondents offered and sold in Maryland a "business opportunity" as defined under §14-101 (b) of the Maryland Business Opportunity Act.

21. Respondents have never been registered with the Division to offer or sell SAS business opportunities in Maryland.

22. Respondents did not give Yeakle a copy of a business opportunity disclosure document, as required under the Maryland Business Opportunity Act.

23. Respondents' sales representative, Paul Young, make earnings representations to Yeakel by telling her that she could expect to earn \$4,000 per month from her SAS business opportunity.

24. Respondents never gave Yeakle any documentation to substantiate the earnings representations that Paul Young made to Yeakle.

25. Respondents misrepresented the nature of its business opportunity to Yeakle in that SAS did not provide ongoing support or consultation to her.

26. Respondents misrepresented to Yeakle that she would or could earn money from operating her SAS business opportunity. After spending \$24,600 for two websites and additional marketing services, Yeakle earned nothing from her investment in the SAS business opportunity.

COUNT ONE
(Violation of Registration Provision)

WHEREAS, section 14-113 of the Maryland Business Opportunity Act makes it unlawful for any person to offer or sell a business opportunity in Maryland unless the business opportunity is registered with the Commissioner; and

WHEREAS, Respondents offered and sold at least one business opportunity in Maryland without registering the business opportunity with the Commissioner;

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to section 14-110 (a) of the Maryland Business Opportunity Act, that Respondents cease and desist from engaging in the offer and sale of business opportunities in violation of section 14-113 of the Maryland Business Opportunity Act pending a hearing in this matter and until such time as this Order is modified or rescinded; and

IT IS FURTHER ORDERED, that each Respondent show cause why that Respondent should not be ordered to permanently cease and desist from the offer and sale of business opportunities in violation of the registration provisions of the Maryland Business Opportunity Act, and permanently barring that Respondent from the offer or sale of business opportunities in or from Maryland.

COUNT TWO
(Violation of Disclosure Provisions)

WHEREAS, section 14-114 of the Maryland Business Opportunity Act makes it unlawful

for any person to offer or sell a business opportunity in Maryland without first giving a prospective buyer a copy of a disclosure document at least 10 full business days before the buyer executes an agreement or pays any consideration towards the purchase of the business opportunity; and

WHEREAS, section 14-113.1 of the Maryland Business Opportunity Act defines the information that must be included in the disclosure document required to be given to prospective buyers; and

WHEREAS, Respondents offered and sold a business opportunity in Maryland without giving a prospective Maryland buyer a copy of the disclosure document required under the Maryland Business Opportunity Act;

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to section 14-110 (a) of the Maryland Business Opportunity Act, that Respondents cease and desist from engaging in the offer and sale of business opportunities in violation of section 14-114 of the Maryland Business Opportunity Act pending a hearing in this matter and until such time as this Order is modified or rescinded; and

IT IS FURTHER ORDERED, that each Respondent show cause why that Respondent should not be ordered to permanently cease and desist from the offer and sale of business opportunities in violation of the disclosure provisions of the Maryland Business Opportunity Act, and permanently barring that Respondent from the offer or sale of business opportunities in or from Maryland.

COUNT THREE

(Misrepresentation in connection with the offer or sale of business opportunities)

WHEREAS, section 14-120 of the Maryland Business Opportunity Act prohibits any person, in connection with the offer or sale of a business opportunity, from making any untrue statement of

material fact or omitting to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading; and

WHEREAS, Respondents made misrepresentations of material fact and/or omissions of material fact about the SAS business opportunity to at least one Maryland Buyer by promising that SAS would provide ongoing support and guidance to the Maryland Buyer to enable her to generate revenue, when SAS failed to do so; and

WHEREAS, Respondents made misrepresentations of material fact and/or omissions of material fact about the SAS business opportunity to at least one Maryland Buyer by representing SAS as an income generating business opportunity, when that Maryland Buyer invested \$24,600 yet earned nothing in return for her investment; and

WHEREAS, Respondents made misrepresentations of material fact and/or omissions of material fact about the SAS business opportunity to at least one Maryland Buyer by representing that she could earn \$4,000 monthly in commissions, when that representation was misleading or entirely false;

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to section 14-110 (a) of the Maryland Business Opportunity Act, that Respondents cease and desist from engaging in the offer and sale of business opportunities in violation of section 14-120 of the Maryland Business Opportunity Act pending a hearing in this matter and until such time as this Order is modified or rescinded; and

IT IS FURTHER ORDERED, that each Respondent show cause why that Respondent should not be ordered to permanently cease and desist from the offer and sale of business opportunities in violation of the antifraud provisions of the Maryland Business Opportunity Act, and permanently

barring that Respondent from the offer or sale of business opportunities in or from Maryland.

COUNT FOUR

(Representations of Income or Earnings Potential)

WHEREAS, section 14-122 of the Maryland Business Opportunity Act prohibits any person, in connection with the offer or sale of a business opportunity, from representing that the business opportunity provides income or earnings potential of any kind unless: (1) the seller has documentation to substantiate the representation; and (2) the person discloses the documentation to the prospective buyer when the representation is made; and

WHEREAS, Respondents made representations to at least one Maryland Buyer about the income and earnings potential of the SAS business opportunity, but Respondents did not provide the Maryland Buyer with documentation to substantiate the representations at the time the representations were made;

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to section 14-110 (a) of the Maryland Business Opportunity Act, that Respondents cease and desist from engaging in the offer and sale of business opportunities in violation of section 14-122 of the Maryland Business Opportunity Act pending a hearing in this matter and until such time as this Order is modified or rescinded; and

IT IS FURTHER ORDERED, that each Respondent show cause why that Respondent should not be ordered to permanently cease and desist from the offer and sale of business opportunities in violation of the antifraud provisions of the Maryland Business Opportunity Act, and permanently barring that Respondent from the offer or sale of business opportunities in or from Maryland.

**REQUIREMENT OF ANSWER AND
NOTICE OF OPPORTUNITY FOR HEARING**

IT IS FURTHER ORDERED, pursuant to COMAR 02.02.06.06, that Respondents shall file with the Commissioner a written Answer to this Order within fifteen days of service of the Order. The Answer shall admit or deny each factual allegation in the Order and shall set forth affirmative defenses, if any. If a Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, that Respondent shall so state.

The Answer also shall indicate whether a Respondent requests a hearing. A hearing will be scheduled in this matter if one is requested in writing within fifteen days of receipt of this Order. Failure by a Respondent to file a timely written request for a hearing in this matter shall be deemed a waiver by Respondent of the right to such a hearing.

Failure by any Respondent to file an Answer or a request for a hearing shall result in entry of a final order:

- (a) directing that Respondent to permanently cease and desist from violation of the Maryland Business Opportunity Act; and
- (b) permanently barring that Respondent from engaging in the offer or sale of business opportunities in Maryland.

SO ORDERED:

**Commissioner's Signature is on File
with Original Documents.**

Dated : November 15, 2010

MELANIE SENTER LUBIN
SECURITIES COMMISSIONER