

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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FINAL ORDER TO CEASE AND DESIST

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

WHEREAS, as a result of that investigation, on November 15, 2010, the Maryland Securities Commissioner (the “Commissioner”) issued a Summary Order to Cease and Desist and Order to Show Cause against Respondents, alleging that Respondents violated the registration, disclosure and antifraud provisions of the Maryland Business Opportunity Act; and

WHEREAS, on January 31, 2011, before the holding of a hearing in this matter, the Division and Respondents, represented by counsel, reached an agreement to enter into a Consent Order (the January 2011 Consent Order”) whereby the Commissioner ordered and Respondents consented to the imposition of sanctions in this matter, including that Respondents would notify each Maryland

buyer who purchased a business opportunity from Respondents and offer to refund the purchase price the Maryland buyers paid Respondents for the business opportunity; and

WHEREAS, the Division found grounds to allege that Respondents violated and continued to violate the terms of the January 2011 Consent Order; and

WHEREAS, on August 19, 2011, based on information provided by the Division, the Commissioner issued a Summary Order to Cease and Desist and Order to Show Cause (the “August 2011 Show Cause Order”) against Respondents, ordering them to immediately cease and desist from violating an order of the Commissioner and show cause why a final order should not be entered ordering them to cease and desist from violating an order of the Commissioner and be permanently barred from engaging in the offer and sale of business opportunities in Maryland; and

WHEREAS, on August 22, 2011, the Division sent copies of the August 2011 Show Cause Order to Respondents at their last known addresses, by certified mail, return receipt requested; and

WHEREAS, on August 25, 2011, the Division also served a copy of the August 2011 Show Cause Order to Respondents’ counsel of record; and

WHEREAS, the Division’s mailed copies of the August 2011 Show Cause Order, sent to Respondents at their last known addresses, were returned as unclaimed by the recipients; and

WHEREAS, the August 2011 Show Cause Order was posted on the website of the Maryland Attorney General under “Securities Division Actions;” and

WHEREAS, Respondents have not filed an answer to or request for a hearing on the August 2011 Show Cause Order, thereby knowingly waiving their respective rights to a hearing; and

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

NOW, THEREFORE, pursuant to section 14-110 (a) of the Maryland Business Opportunity Act, the Commissioner FINDS, CONCLUDES, AND ORDERS:

I. JURISDICTION

1. The Commissioner has jurisdiction in this proceeding pursuant to § 14-110 (a) of the Maryland Business Opportunity Act.

II. FINDINGS OF FACT

A. Respondents

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

3. SAS offers and sells Internet marketing, 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 or was the owner of SAS.

B. Nature of the Respondents’ Business

5. SAS represented 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 represented 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 stated “You sit back and collect the commissions on each sale from each

and every partnered store we supply you with!”

7. SAS solicited 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 “web-malls” that would provide her with a continuing income. Young stated that Yeakle could expect to make \$4,000 per week 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 web-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 reports that she was not able to access her websites after that date.

19. Yeakle earned nothing from her \$24,600 investment in SAS.

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

21. Respondents never gave Yeakle a copy of a business opportunity disclosure document, as required under the Maryland Business Opportunity Act.

22. Respondents never gave Yeakle any documentation to substantiate the earnings representation that Paul Young made to Yeakle by telling her that she could expect to make \$4,000 per week from the SAS business opportunity.

23. Respondents represented to the Division that SAS offered and sold a total of six (6) SAS business opportunities to Maryland buyers, each of whom paid between \$1,200 and \$18,400 to SAS for their SAS business opportunity.

24. Respondents represented to the Division that neither SAS nor Lewallen has any ownership interest in Web Add Solutions, LLC or American Web Earnings, LLC.

D. Business Opportunity Law Violations

25. Under the January 2011 Consent Order, the Commissioner determined that Respondents violated Sections 14-113, 14-114 and 14-122 of the Maryland Business Opportunity Act.

E. The January 2011 Consent Order

26. On January 31, 2011, the Commissioner issued the January 2011 Consent Order, to which Respondents consented.

27. Under the January 2011 Consent Order, the Commissioner ordered and Respondents consented to, among other things, cease and desist from the offer and sale of business opportunities in Maryland or to any Maryland residents in violation of the Maryland Business Opportunity Act.

28. Under the January 2011 Consent Order, the Commissioner ordered and Respondents consented, within ten (10) days of the date of that order, to notify in writing each Maryland buyer who purchased an SAS business opportunity, offering a refund of the entire purchase price that Maryland buyer paid towards the SAS business opportunity. Respondents agreed to complete payments to any Maryland buyer who requested a refund within ninety (90) days of receiving the request for a refund.

29. Under the January 2011 Consent Order, the Commissioner ordered and Respondents consented to notify the Division as to each Maryland buyer who requested a refund, the amount SAS refunded to that Maryland Buyer, and the date when SAS completed the refund payment.

30. The January 2011 Consent Order provides that if any Respondent fails to comply with any term of that order the Division may bring administrative or judicial proceedings against that Respondent to sanction it for violating an order of the Commissioner and, in any such proceeding, after which, after an opportunity for a hearing, the Commissioner finds that a Respondent has violated that Consent Order, the Statement of Facts and violations of the Maryland Business Opportunity Act alleged in that Consent Order shall be deemed admitted and may be introduced into evidence against that Respondent.

F. Violations of the January 2011 Consent Order

31. Respondents did not make refund payments to Maryland buyers who purchased an SAS business opportunity, as required under the January 2011 Order.

32. At least one Maryland buyer responded to SAS' offer to refund the purchase price she paid towards her SAS business opportunity, but that Maryland buyer never received any refund payments from SAS.

33. Respondents did not notify the Division as to each Maryland buyer who requested a refund as required under the January 2011 Order, the amount SAS refunded to that Maryland buyer, and the dates when SAS completed the refund payments.

III. CONCLUSIONS OF LAW

The Commissioner concludes that:

34. The Commissioner's Findings of Fact and the Conclusions of Law in the January 2011 Consent Order remain in effect and have been deemed admitted by Respondents.

35. Respondents violated the January 2011 Consent Order by failing to make refund payments to Maryland buyers who purchased an SAS business opportunity as required under the January 2011 Consent Order.

36. Respondents violated the January 2011 Consent Order by failing to make refund payments of the purchase price a Maryland buyer paid towards her SAS business opportunity, when that Maryland buyer responded to SAS' offer of a refund requesting a refund.

37. Respondents violated the January 2011 Consent Order by failing to notify the Division as to each Maryland buyer who requested a refund, as required under the January 2011 Order, the amount SAS refunded to that Maryland buyer, and the dates when SAS completed those refund payments.

IV. SANCTIONS

38. NOW, THEREFORE, IT IS HEREBY ORDERED, that Respondents permanently cease and desist from engaging in activities that violate the January 2011 Consent Order of the

Commissioner and comply with the provisions of that order; and

39. IT IS FURTHER ORDERED, that Respondents be and are permanently barred from engaging in the offer and sale of business opportunities in Maryland.

V. JURISDICTION RETAINED

40. Jurisdiction shall be retained by the Commissioner for such further orders and directions as may be necessary or appropriate for the construction or enforcement of this Final Order to Cease and Desist.

VI. APPEAL RIGHTS

41. Any respondent may appeal this Final Order to Cease and Desist to the appropriate Circuit Court of the State of Maryland within 30 days from the date this Final Order to Cease and Desist is mailed by the Securities Division.

SO ORDERED:

Dated: _____, 20__

MELANIE SENTER LUBIN
SECURITIES COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing Final Order to Cease and Desist by causing a copy to be sent by United States Mail, certified delivery, return receipt requested, addressed to:

Solid Ad Solutions, LLC
c/o Christopher Lewallen, Statutory Agent
14850 N Cave Creek #2
Phoenix, AZ;

Mr. Christopher Lewallen
14850 N Cave Creek #2
Phoenix, AZ 85032;

Mr. Christopher Lewallen
10869 N. Scottsdale Road #103-208
Scottsdale, AZ 85254;

Mr. Christopher Lewallen
10017 E Mountain View Road, Unit 1056
Scottsdale, Arizona 85258;

Isabel V. Davis, Esquire
Davis Law, PLLC
908 Chandler Blvd., Suite 2 Bldg D
Chandler, Arizona 85225;

and by delivering a copy to Melanie Senter Lubin, Securities Commissioner, Maryland Division of Securities, 200 St. Paul Place, Twenty-fifth Floor, Baltimore, Maryland 21202.

Dated: _____, 2011

Dale E. Cantone
Assistant Attorney General

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