

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

IN THE MATTER OF: \*

Dawn J. Bennett \* Securities Docket No. 2019-0205

Respondent \*

\* \* \* \* \*

**FINAL ORDER**

WHEREAS, the Securities Division of the Office of the Maryland Attorney General (the “Division”), pursuant to the authority granted in section 11-701 of the Maryland Securities Act, Corporations and Associations Article, Title 11, Annotated Code of Maryland (2014 Repl. Vol. and 2018 Supp.) (the “Act” or “Securities Act”), undertook an investigation into the activities of Dawn J. Bennett (the "Respondent" or “Bennett”); and

WHEREAS, on September 26, 2019, on the basis of that investigation, the Maryland Securities Commissioner (the “Commissioner”) issued an Order to Show Cause (“Order”) requiring Respondent to show cause why she should not be barred permanently from engaging in the securities and investment advisory business in Maryland and why a statutory penalty of up to \$5,000 per violation should not be entered against her; and

WHEREAS, on September 26, 2019, the Order was served on the Commissioner pursuant to section 11-802(b) of the Act and sent by certified mail to Respondent; and

WHEREAS, on September 26, 2019, the Order was sent by certified mail to Respondent’s last-known address; and

WHEREAS, on October 23, 2019, the Certified Mail was returned to the Division with the statement “return to sender not deliverable as addressed unable to forward”; and

WHEREAS, on November 21, 2019, the Order was sent by certified mail to Respondent's address listed on the federal inmate location website and the certificate of service was signed on November 25, 2019 by an agent; and

WHEREAS, Respondent failed to timely file an Answer to the Order or to make a written request for a hearing, as required by COMAR .02.02.06.06A; and

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

NOW, THEREFORE, pursuant to sections 11-301, 11-302, and 11-701.1(a) of the Act,  
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. RESPONDENT**

2. At all times relevant to this matter, Dawn Bennett maintained a place of residence in Chevy Chase, MD. From October 2009 to November 24, 2015, Respondent was registered with the State of Maryland as a broker-dealer agent, and with the Financial Industry Regulatory Authority ("FINRA") as a general securities agent, for Western International Securities, Inc. From October 2006 to September 2013, Bennett was a member of Bennett Group Financial Services LLC. Prior to that, Bennett had been registered with the State of Maryland as a broker-dealer agent and with the Financial Industry Regulatory Authority ("FINRA") as a general securities agent for various broker-dealer firms since 1987. Bennett was the founder, majority owner, and chief executive officer of Bennett Group Financial Services LLC ("BGFS") a registered investment adviser. Bennett was DJBennett.com's owner and operator.

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

3. Beginning in or about 2009, BGFS was formed by Bennett to provide investment advice to clients.

4. In or about 2013, Bennett formed DJB Holdings dba DJBennett.com (“DJB Holdings”). DJB Holdings was an internet retail website for sportswear.

5. Between December 2014 and April 2017, Bennett solicited BGFS’s advisory clients and other investors to invest in DJB Holdings through the form of convertible or promissory notes.

6. Bennett offered investors an annual interest rate of 15% in return for their investment.

7. In connection with soliciting investors to invest in DJB Holdings, Bennett made misleading and false statements to investors, including how their funds would be used and the risks associated with their investment in DJB Holdings.

8. Between December 2014 and July 2017, Bennett solicited more than \$20 million from more than 40 investors, including investors who withdrew funds from retirement accounts to invest in or loan funds to DJB Holdings.

9. Bennett misappropriated some investor funds and used those funds for her personal use or to repay other investors.

10. Bennett also received approximately \$550,000 in compensation.

11. On or about August 25, 2017, the United States Attorney’s Office filed in the U.S. District Court for the District of Maryland criminal charges against Bennett in connection with the activities described above.

12. On or about October 17, 2018, Respondent was convicted of conspiracy, securities

fraud, wire fraud, bank fraud and making false statements.

13. Respondent was sentenced to 20 years in federal prison followed by five years of supervised release and ordered to pay restitution of \$14,504,290 and forfeiture of \$14,306,842.

14. Respondent has appealed her criminal conviction.

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

The Commissioner concludes that:

15. Respondent violated section 11-301 of the Act by, among other things, making misleading and false statements to investors and/or advisory clients in connection with soliciting them to invest in DJB Holdings, and misappropriating funds from investors and/or advisory clients and using those funds for her personal use or to repay other investors.

16. Respondent violated sections 11-302(a) and (c) of the Act by, among other things, making misleading and false statements to investors and/or advisory clients in connection with soliciting them to invest in DJB Holdings, and misappropriating funds from investors and/or advisory clients and using those funds for his personal use or to repay other investors.

#### **V. SANCTIONS**

NOW, THEREFORE, IT IS HEREBY ORDERED that:

a. Respondent shall cease and desist from violating sections 11-301 and 11-302 of the Act.

b. Respondent is permanently barred from engaging in the securities or investment advisory business in Maryland for or on behalf of any others, or from acting as a principal or consultant in any entity so engaged.

c. Respondent is assessed a civil monetary penalty pursuant to section 11-702 of the Act in the amount of \$1,200,000 for the violations set forth in this Order. Payment shall be by

certified check payable to the Office of the Attorney General. Said penalty shall be paid within ninety (90) days of the date of this Order. However, this penalty shall be reduced dollar for dollar by the amount of restitution made pursuant to the criminal order of restitution paid by Respondent to the investors.

#### **VI. JURISDICTION RETAINED**

11. 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 Order.

#### **VII. APPEAL RIGHTS**

12. Respondent may appeal this Final Order to the Baltimore City Circuit Court within 30 days from the date this Order is mailed by the Securities Division.

**SO ORDERED:**

**Commissioner's Signature on File  
w/Original Document**

January 6, 2020

\_\_\_\_\_  
Melanie Senter Lubin  
Maryland Securities Commissioner

