
*
IN THE MATTER OF: *
*
EXTREME MARKETING *
ALLIANCE LLC *
*
MATT GRAHAM *
*
ORLANDO DIAZ *
*

CONSENT ORDER

NO. CO-21-202026-B

I. PRELIMINARY STATEMENT

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with the administration of Chapter 672c of the Connecticut General Statutes, the Connecticut Business Opportunity Investment Act (the “Act”);

WHEREAS, Extreme Marketing Alliance LLC (“EMA”) is a limited liability company formed under the laws of the State of Nevada on March 8, 2016. According to records maintained by the State of Nevada, (i) the managing member of EMA is 6A Factory II, LLC, a Nevada entity; and (ii) the principals of 6A Factory II, LLC are Matt Graham (“Graham”) and Orlando Diaz (“Diaz”). The address of EMA’s Nevada registered agent is c/o The Fortune Law Firm, Ltd., 11920 Southern Highlands Parkway, Suite 200, Las Vegas, Nevada 89141, and the address for 6A Factory II, LLC is 2307 Westwood Avenue, Richmond, Virginia 23230. At all times relevant hereto, EMA was in the business of offering business coaching services;

WHEREAS, Graham and Diaz were, at all times pertinent hereto, principals and representatives of EMA. The last known address for respondents Graham and Diaz is c/o 6A Factory II, LLC, 2307 Westwood Avenue, Richmond, Virginia 23230;

WHEREAS, following a complaint from a Connecticut resident, the Commissioner, through the Securities and Business Investments Division (the “Division”) of the Department of Banking, conducted an investigation pursuant to Section 36b-71(a) of the Act into the activities of EMA, Graham and Diaz (collectively, “Respondents”), their members, agents, representatives and employees to determine if they, or any of them, have violated, are violating or are about to violate provisions of the Act;

WHEREAS, as a result of the investigation, the Commissioner alleges that: (a) EMA’s website represented to the public that EMA could help those participating in its program (“EMA Program”) experience financial freedom by starting their own online business; that participants could achieve a revenue stream while learning the program; and that “Coach Matt” would guide participants through the process every step of the way; (b) in his LinkedIn profile, Graham, as CEO of EMA, represented that prospective purchasers could potentially achieve “[a]n additional 5 figures per month within 60-90 days” and that “[i]f you are coachable and can follow our proven blueprint, you WILL duplicate our success. Our proven processes provide you with the ability to supplement or replace your full time income”; (c) EMA Program purchasers paid between \$3,000 and \$21,000 to participate and were told they would receive (i) a mailed physical booklet containing “proprietary information about our marketing systems and products”; (ii) “instant access upon purchase to all of our educational training courses which are inside our membership website”; (iii) “on-boarding session with our On-Boarding expert of choice; (iv) “UNLIMITED access to Matt & Orlando’s Private Facebook Messenger for unlimited one on one support”; (v) “UNLIMITED access to communicate with Matt & Orlando for one on one support using their private booking page”; and (vi) that, upon signing a “Purchase Order” with EMA, purchasers, characterized as licensee/members, received the right to resell the product information provided by EMA; (d) EMA’s promotional material represented that purchasers could achieve the following profits, depending on the type of package they purchased: (i) Gold Package = \$3,000 + \$247 admin fee = \$3,247. You make \$1,500 on every sale; Platinum Package = \$7,000 + \$447 admin fee = \$7,447. You make up to \$3,500 per sale; Diamond Package = \$14,000 + \$647 admin fee = \$14,647. You make up to \$7,000 per sale; and Royal Package = \$21,000 + \$847 admin fee = \$21,847. You make up to \$10,500 per sale; (e) Respondents did not substantiate their claims of income or earnings potential or disclose any substantiating data to the prospective purchaser-investor at the time the claims were made; and (f) between April 2019 and August 2020, at least eleven residents of Connecticut paid EMA over \$100,000 in total to participate in the EMA Program;

WHEREAS, the Commissioner alleges that from at least April 2019 through August 2020, Respondents (1) offered and sold unregistered business opportunities to Connecticut purchaser-investors in violation of Sections 36b-62(a) and 36b-67(1) of the Act; (2) failed to provide the required disclosure document to Connecticut purchaser-investors in connection with the sale of a business opportunity in violation of Section 36b-63 of the Act; and (3) violated Section 36b-67(2) of the Act by making earnings claims without including documented data to substantiate such claims and disclosing such data to prospective purchaser-investors at the time such representations were made;

WHEREAS, the Commissioner believes that the foregoing allegations would support the entry of an Order to Cease and Desist pursuant to Section 36b-72(a) of the Act and the imposition of a fine of up to \$100,000 per violation under Section 36b-72(b) of the Act against Respondents;

WHEREAS, an administrative proceeding under Section 36b-72 of the Act would constitute a “contested case” within the meaning of Section 4-166(2) of the Connecticut General Statutes;

WHEREAS, Section 4-177(c) of the Connecticut General Statutes provides, in relevant part, that “[u]nless precluded by law, a contested case may be resolved by . . . consent order”;

WHEREAS, Respondents, through their retained legal counsel, have been forthcoming in verifying the identities of the Connecticut purchaser-investors and in extending a rescission offer to all such purchaser-investors, each of whom accepted the rescission offer. The aggregate amount refunded to Connecticut purchaser-investors by EMA totaled \$116,687;

WHEREAS, Respondents and the Commissioner now desire to resolve the foregoing matter without the need for administrative proceedings, and agree to the language in this Consent Order.

CONSENT TO WAIVER OF PROCEDURAL RIGHTS

WHEREAS, Respondents, through their execution of this Consent Order, voluntarily waive the following rights:

1. To be afforded an opportunity for a hearing within the meaning of Sections 36b-72(a) and 36b-72(b) of the Act, and Section 4-177(a) of the Connecticut General Statutes;
2. To present evidence and argument and to otherwise avail themselves of Sections 36b-72(a) and 36b-72(b) of the Act, and Section 4-177c(a) of the Connecticut General Statutes;
3. To present their respective positions in a hearing in which each is represented by counsel;
4. To have a written record of the hearing made and a written decision issued by a hearing officer; and
5. To seek judicial review of, or otherwise challenge or contest, the matters described herein, including the validity of this Consent Order.

ACKNOWLEDGEMENT OF THE COMMISSIONER'S ALLEGATIONS

WHEREAS, Respondents, through their execution of this Consent Order, acknowledge the following allegations of the Commissioner, without admitting or denying them:

1. The entry of this Consent Order is necessary or appropriate in the public interest or for the protection of purchaser-investors and consistent with the purposes fairly intended by the policy and provisions of the Act;
2. From at least April 2019 through August 2020, Respondents offered and sold unregistered business opportunities to Connecticut purchaser-investors in violation of Sections 36b-62(a) and 36b-67(1) of the Act;
3. From at least April 2019 through August 2020, Respondents failed to provide Connecticut purchaser-investors with the disclosure document required by Section 36b-63 of the Act; and
4. From at least April 2019 through August 2020, Respondents violated Section 36b-67(2) of the Act by making earnings claims without including documented data to substantiate such claims and disclosing such data to prospective purchaser-investors at the time such representations were made;

WHEREAS, if the above allegations were proven, the Commissioner would have the authority to enter findings after granting Respondents an opportunity for a hearing;

WHEREAS, Respondents acknowledge the possible consequences of an administrative hearing and voluntarily agree to consent to the entry of the sanctions described below.

CONSENT TO ENTRY OF SANCTIONS

WHEREAS, Respondents, through their execution of this Consent Order, consent to the Commissioner's entry of a Consent Order imposing the following sanctions:

1. EMA, Graham, Diaz, their agents, affiliates, and successors in interest shall cease and desist from violating the Act and from the further sale or offer of business opportunities constituting or which would constitute a violation of the Act;
2. For a period of five (5) years commencing on the date this Consent Order is entered by the Commissioner, Respondents shall be barred from selling any "business opportunity" as defined in Section 36b-61(2) of the Act in this state within the meaning of Section 36b-75 of the Act and notwithstanding any definitional exclusion or exemption that might otherwise apply. After three years have elapsed from the entry of this Consent Order by the Commissioner, EMA, Graham or Diaz may apply for business opportunity registration through retained legal counsel, provided that, in considering such application, the Commissioner maintains sole discretion to (a) register such business opportunity, with or without restrictions or conditions; or (b) deny such registration under Section 36b-68 of the Act; and
3. No later than the date this Consent Order is entered by the Commissioner, EMA shall remit to the Department of Banking by certified check, cashier's check or ACH electronic transfer made payable to "Treasurer, State of Connecticut", the sum of ten thousand dollars (\$10,000) as an administrative fine.

CONSENT ORDER

NOW THEREFORE, the Commissioner enters the following:

1. The Sanctions set forth above be and are hereby entered;
2. Entry of this Consent Order by the Commissioner is without prejudice to the right of the Commissioner to take enforcement action against EMA, Graham or Diaz based upon a violation of this Consent Order or the matters underlying its entry, if the Commissioner determines that compliance with the terms herein is not being observed by the specific party being bound or if any representation made by Respondents in conjunction with the investigation by the Division, including, without limitation, the scope of Respondents' unregistered business opportunity activities in Connecticut, is subsequently determined to be untrue; and
3. This Consent Order shall become final when entered.

So ordered at Hartford, Connecticut
this 20th day of January 2022.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CONSENT TO ENTRY OF ORDER

I, Matt Graham, state that I have read the foregoing Consent Order; that I know and fully understand its contents; that I agree freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that I consent to the entry of this Consent Order.

_____/s/_____
Matt Graham

State of: Va.

County of: Chesterfield

On this the 30th day of December 2021, before me, the undersigned officer, personally appeared Matt Graham, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

_____/s/_____
Notary Public
Date Commission Expires: 2-28-22

CONSENT TO ENTRY OF ORDER

I, Orlando Diaz, state that I have read the foregoing Consent Order; that I know and fully understand its contents; that I agree freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that I consent to the entry of this Consent Order.

/s/
Orlando Diaz

State of: Fla.

County of: Miami Dade

On this the 17 day of Dec. 2021, before me, the undersigned officer, personally appeared Orlando Diaz, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

/s/
Notary Public
Date Commission Expires: Nov. 22 2023