

ADMINISTRATIVE PROCEEDING

SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:

)

[REDACTED]

and Darial Chatman, a/k/a Darrell)
Chatman, a/k/a Darrell Chapman)
)
 Respondents.)

File No. 10045

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the "Division"), pursuant to authority granted in the South Carolina Uniform Securities Act of 2005 (the "Act"), S.C. Code Ann. § 35-1-101 to 35-1-703 (Supp. 2009), on or

2 BDI is not registered with the South Carolina Secretary of State to do business in South

3. On 6/1/1981, BDI advertised investment opportunities in the Columbia, South Carolina area.

business in any State.

4. BDI advertised investment opportunities earning 30% annually on postcards, which were inserted into newspaper boxes at some residences in the area of Columbia, South

However, we can still get your account set-up and start working for you.”

c. “Our principle (sic) has over 15 years experience in aggressive investing in high

risk projects.”

d. “We have a long successful track record in what we do.”

e. “We can guarantee that you will not lose money working with us.”

f. “We all know there are hundreds of other ways to make money outside of stocks,

mutual funds, etc. etc. (sic) We have the experience to make your money

Section 4(2) and Regulation D of the Securities Act of 1933, as amended (the "Act"), and appropriate provisions of applicable state securities laws."

10. Respondents have not attempted to register a Regulation D offering or any other security with the Division in connection with this matter.
11. On July 12, 2010, an individual identifying himself as Respondent Chatman replied to a message left at the phone number provided on BDI's postcard.
12. Chatman stated that the investments in question involved organizing and capitalizing

concerts by "big" acts in South Carolina, and he specifically cited a concert he claimed to have organized in Florence, South Carolina, with John Michael Montgomery as the headline act. Chatman stated he made only \$6,000 on that concert at one dollar per ticket.

13. On information and belief, the concert Chatman referenced sold less than 700 tickets, and Chatman continues to owe approximately \$6,000 in expenses to the Florence Civic Center.¹
14. Respondents' offered notes are not registered securities in South Carolina, nor are they federally covered securities or exempt from registration pursuant to S.C. Code Ann. § 35-1-301.
15. Respondent BDI is not registered as a broker-dealer with the SEC or with the Division pursuant to the Act, and no claim of exemption from registration has been offered on its behalf.
16. Respondent Chatman is not registered as an agent pursuant to the Act, and no claim of exemption from registration has been offered on his behalf.

¹ The concert in question was presented as a fundraiser for a charity known as "Donato A. Blessing Foundation, Inc."

17. Respondent Chatman has previously been the subject of a Cease and Desist Order issued by the Division in connection with the security offerings of Dream Builders of South Carolina, LLC.

WHEREAS, the notes offered by Respondents are "securities" within the meaning of S.C. Code Ann. § 35-1-102(29);

~~WHEREAS, Respondent Chatman, as described above, acted as an agent by effecting~~



WHEREAS, Respondent Chatman was not registered in South Carolina or exempt from registration as an agent within the meaning of the Act;

WHEREAS, Respondent BDI utilized Chatman, who was not a registered or exempt agent, to offer and sell its securities in South Carolina;

WHEREAS, after due deliberation, the Division finds that it is necessary and appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act to issue the following Order:

CEASE AND DESIST ORDER

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a)(1), IT IS HEREBY ORDERED that Respondents BDI and Chatman and every successor, affiliate, control person, agent, servant, and employee of Respondents, and every entity owned, operated, or indirectly or directly controlled by or on behalf of the Respondents:

1. Immediately cease and desist from transacting business in this State in violation of

[REDACTED]

[REDACTED]

[REDACTED]

Division, Post Office Box 11549, Rembert C. Dennis Building, Columbia, South Carolina 29211-1549, attention: Thresechia Navarro, within thirty (30) days after the date of service of this Order a written Answer specifically requesting that a hearing be held to consider rescinding the Order.

In the written Answer, the Respondent, in addition to requesting a hearing, shall admit or deny each factual allegation of the Order, shall set forth specific facts on which the Respondent relies, and shall set forth concisely the matters of law and affirmative defenses upon which the Respondent relies. If Respondent is without knowledge or information sufficient to form a belief

as to the truth of an allegation, he shall so state.

Failure by a Respondent to file a written request for a hearing in this matter within the

thirty (30) days period stated above shall be deemed a waiver by that Respondent of his right to

