

**ADMINISTRATIVE PROCEEDING**  
**BEFORE THE**  
**SECURITIES COMMISSIONER OF SOUTH CAROLINA**

<b>IN THE MATTER OF:</b>	)	
	)	<b>ORDER TO CEASE AND DESIST</b>
<b>Beyond Diamonds Investments, Inc.,</b>	)	
<b>and Darial Chatman, a/k/a Darrell</b>	)	
<b>Chatman, a/k/a Darrell Chapman</b>	)	
<u>Respondents.</u>	)	<b>File No. 10045</b>

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 about July 9, 2010, received information regarding alleged activities of Beyond Diamonds Investments, Inc. ("BDI") and Darial Chatman ("Chatman") (collectively, the "Respondents") which, if true, could constitute violations of the Act;

WHEREAS, the information led the Division to open and conduct an investigation of the Respondents pursuant to S.C. Code Ann. § 35-1-602;

WHEREAS, in connection with the investigation, the Division has determined that evidence exists to support the following findings and conclusions:

1. Respondent BDI is located at 22 Office Park Court, Suite C, Columbia, South Carolina 29223.
2. Respondent Chatman is responsible for the lease on 22 Office Park Court, Suite C, Columbia, South Carolina 29223.

2. BDI is not registered with the South Carolina Secretary of State to do business in South Carolina.
3. On information and belief, BDI is not registered with any Secretary of State to do 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 Carolina. Additionally, some postcards were direct mailed to certain South Carolina residents.
5. The BDI postcards make the following statements, one or more of which are materially misleading or false:
  - a. “No Fees/ We Make Money Only After You Make Money”;
  - b. “Account Minimum \$5000”;
  - c. “We Will Financially Out Perform (sic) Your Current Brokerage or Investment Firm”;
  - d. “SEC Compliant”.
6. The BDI postcard provided a contact number and a website for the company and encouraged prospective investors to “call for an appointment or sign-up on our website today.”
7. The BDI website makes the following statements, one or more of which are materially misleading or false:
  - a. “If you think Beyond Diamond Investments is like a large investment firm, think again. We are an up and coming leader in the financial-services (sic) industry[.]”

- b. “[W]e are ... still in the process of getting proper compliance with the state. 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, cd’s ect ect (sic). We have the experience to make you money using all those other ways. Sorry, we do not discuss our methods. People are scared when they hear ideas they have no knowledge about. We do not want to scare you into not doing business with us.”
  - g. “[O]ur principle (sic) has fifteen years experience in this field and has earned millions of dollars for people just like you[.]”
  - h. “We are also involved with the Securities Industry Association in the continuing enhancement and standardization of industry practices.”
7. On information and belief, BDI is not a member of the Securities Industry Association.
8. The BDI website advises prospective investors that “[n]otes are available in multiples of \$5,000,” and that payment should be mailed to BDI along with an investor agreement.
9. The referenced investor agreement is titled “Note Purchaser Questionnaire,” and can be downloaded from BDI’s website. That document states, in the opening paragraph, that the information to be provided is “furnished to [BDI] in order for you to determine whether the undersigned [prospective investor] is qualified to invest in [BDI] pursuant to

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.<sup>1</sup>
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.

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<sup>1</sup> The concert in question was promoted as a fundraiser for a charity known as “Donate A Blessing Foundation, Inc.” This charity has a registered address of 22 Office Park Court, Columbia, South Carolina 29223, and its CEO is Respondent Chatman.

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 and/or attempting to effect sales of securities in or from this State;

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, the securities Respondents offered and sold in and from South Carolina were not (i) registered, (ii) federal covered securities, or (iii) otherwise exempt within the meaning of the Act;

WHEREAS, the Respondents, in connection with the securities offering described above, employed a device, scheme, or artifice to defraud and/or made untrue statements of material facts and/or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

WHEREAS, based on the foregoing, the Division has determined that the Respondents have engaged, are engaging, and/or are about to engage in acts and practices which violate S.C. Code Ann. §§ 35-1-301, 35-1-402(a) and (d), and 35-1-501; and

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:

- a. Immediately cease and desist from transacting business in this State in violation of the Act, and in particular, S.C. Code Ann. §§ 35-1-301, 35-1-402(a) and (d), and 35-1-501 thereof; and
- b. Specifically, cease and desist (i) soliciting investments in securities in or from South Carolina, (ii) offering BDI notes or any other securities in or from South Carolina, and (iii) collecting money for investments in securities in or from South Carolina; and
- c. Pay a civil penalty in the amount of ten thousand dollars (\$10,000.00) per Respondent if this Order becomes effective by operation of law, or, if any Respondent seeks a hearing and a hearing officer or any other legal authority resolves this matter, pay a civil penalty in an amount not to exceed ten thousand dollars (\$10,000.00) for each violation of the Act by that Respondent, and the actual cost of the investigation or proceeding.

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

The Respondents are hereby notified that they have the right to a hearing on the matters contained herein. To schedule such a hearing, a Respondent must file with the Securities

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) day period stated above shall be deemed a waiver by that Respondent of his right to such a hearing. Failure of a Respondent to file an Answer, including a request for a hearing, shall result in this Order, including the stated civil penalty, becoming final as to that Respondent by operation of law.

CONTINUING TO ENGAGE IN ACTS DETAILED BY THIS ORDER AND/OR SIMILAR ACTS MAY RESULT IN THE DIVISION'S FILING ADDITIONAL ADMINISTRATIVE ACTIONS AND/OR SEEKING FURTHER ADMINISTRATIVE FINES. WILLFUL VIOLATION OF THIS ORDER COULD RESULT IN CRIMINAL PROSECUTION. REGARDING MATTERS DESCRIBED HEREIN, THIS ORDER DOES NOT PRECLUDE THE FILING OF PRIVATE CAUSES OF ACTION OR THE FILING OF CRIMINAL CHARGES UNDER S.C. CODE ANN. § 35-1-508 OR ANY OTHER APPLICABLE CODE SECTION.

SO ORDERED, This 19 day of July, 2010.



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