STATE OF CALIFORNIA BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY DEPARTMENT OF BUSINESS OVERSIGHT

TO: Diversified Marketing and Management, LLC a.k.a. The Asset Management Group Michael Dewayne Carter, Sr.
 2204 Spanos Street 4
 Antioch, California 94509

DESIST AND REFRAIN ORDER

(For Violations of Sections 25230 and 25235 of the Corporations Code)

The Commissioner of Business Oversight (Commissioner) finds that:

- 1. At all relevant times, Diversified Marketing and Management, LLC also known as The Asset Management Group (Diversified Marketing) was a Florida limited liability company and doing business at 2204 Spanos Street 4, Antioch, California 94509.
- 2. Diversified Marketing operated and maintained an internet website located at: http://mcarte4.wix.com/divarkmgt. Diversified Marketing claimed its consultative services helped investors create business capital. Diversified Marketing claimed to use "proven systems, logarithms, and financial strategies" in options trading for its clients.
- 3. At all relevant times, Michael Dewayne Carter, Sr. (Carter) was the founder, president and CEO of Diversified Marketing. Carter was an agent and investment adviser representative from 1990 to 2011, registered through the Central Registration Depository (CRD) with the assigned number 2069269. Carter represented to California residents that he was a "licensed financial advisor" and had "an 18 year career as a Financial Consultant with three of the most respected Financial Institutions in the country".
- 4. On or around January 9, 2012, FINRA barred Carter from associating with any FINRA member in any capacity. Pursuant to FINRA Rule 9552(h) and in accordance with FINRA's Intent to Suspend and Notice of Suspension letters dated October 6, 2011 and November 9, 2011, Carter was suspended. After Carter failed to request termination of his suspension within three months of the date of the Notice of Intent to Suspend, Carter was permanently barred by FINRA on

January 9, 2012.

- 5. Beginning on or around December 8, 2015, Diversified Marketing and Carter engaged in the business of providing investment advice to California residents regarding investments made through OptionsXpress, an options trading platform. At least one California resident gave Diversified Marketing and Carter access to \$50,000.00 of investment capital in her OptionsXpress account. Diversified Marketing and Carter charged at least one California resident a consultation fee of \$7,895.00 in connection with providing investment advice.
- 6. Beginning in at least December 8, 2015, Diversified Marketing and Carter, in the process of providing investment advice, represented to at least one California resident that Carter was a licensed financial advisor. However, Diversified Marketing and Carter failed to disclose to the California investor that Carter was barred by FINRA in 2012 and was not licensed as an investment adviser.
- 7. Diversified Marketing and Carter do not have a valid investment adviser certificate issued by the Commissioner nor have they been registered as an investment adviser with the U.S. Securities & Exchange Commission.
- 8. Diversified Marketing and Carter are not exempt from the certification requirement set forth in the Corporate Securities Law of 1968 (Corp. Code, § 25000 et seq.) (CSL).
- 9. CSL section 25230, subdivision (a), prohibits a person from conducting business as an investment adviser in this state without first apply for and securing a certificate from the Commissioner authorizing them to do so, unless exempt.
- 10. Under section 25235, subdivisions (a) and (b) of the CSL, it is unlawful for any investment adviser, directly or indirectly, in this state to employ any device, scheme, practice, or artifice to defraud any client or prospective client; and to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon any client or prospective client.

Based upon the foregoing findings, the Commissioner is of the opinion that Diversified Marketing and Management, LLC a.k.a. The Asset Management Group and Michael Dewayne Carter, Sr. conducted business as an investment adviser in this state without first securing from the

Commissioner a certificate, authorizing them to do so, in violation of section 25230 of the CSL.

Pursuant to section 25532 of the CSL, Diversified Marketing and Management, LLC a.k.a. The Asset Management Group and Michael Dewayne Carter, Sr. are hereby ordered to desist and refrain from conducting business as an investment adviser in the State of California, unless and until Diversified Marketing and Management, LLC a.k.a. The Asset Management Group and Michael Dewayne Carter, Sr. have first applied for and secured from the Commissioner a certificate, then in effect, authorizing them to act as an investment advisor or unless exempt.

Based upon the foregoing findings, the Commissioner is of the opinion that Diversified Marketing and Management, LLC a.k.a. The Asset Management Group and Michael Dewayne Carter, Sr. conducted business as an investment adviser in this state and employed a device, scheme, or artifice to defraud any client or prospective client and engaged in a transaction, practice, or course of business which operates or would operate as a fraud or deceit upon any client or prospective client, in violation of section 25235, subdivisions (a) and (b) of the CSL.

Pursuant to section 25532 of the CSL, Diversified Marketing and Management, LLC a.k.a. The Asset Management Group and Michael Dewayne Carter, Sr. are hereby ordered to desist and refrain from directly or indirectly employing any device, scheme, or artifice to defraud any client or prospective client and to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon any client or prospective client.

This Order is necessary, in the public interest, for the protection of investors, and consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

Dated: December 12, 2018
Sacramento, CA
JAN LYNN OWEN
Commissioner of Business Oversight

MARY ANN SMITH
Deputy Commissioner
Enforcement Division