

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9907 / September 8, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16794

In the Matter of	:	ORDER INSTITUTING CEASE-AND-DESIST
	:	PROCEEDINGS PURSUANT TO SECTION 8A
	:	OF THE SECURITIES ACT OF 1933,
Ditto Holdings, Inc. (now	:	MAKING FINDINGS, AND IMPOSING A
known as SoVesTech, Inc.)	:	CEASE-AND-DESIST ORDER
	:	
Respondent.	:	
	:	
	:	
	:	

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that public cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act") against Ditto Holdings, Inc. ("Ditto Holdings" or "Respondent").

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Making Findings, and Imposing a Cease-and-Desist Order ("Order"), as set forth below:

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that:

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

Respondent

1. **Ditto Holdings, Inc.** is a Delaware corporation with offices in Los Angeles, California and Chicago, Illinois.² It is not registered with the Commission in any capacity. Ditto Holdings owns 100% of Ditto Trade, Inc. (“Ditto Trade”), an Illinois corporation with headquarters in Chicago, Illinois. According to its website, Ditto Trade is a “first-of-its-kind social brokerage firm.” Ditto Trade has been registered with the Commission as a broker-dealer pursuant to Section 15 of the Exchange Act since July 2010.

Offerings of Ditto Holdings, Inc. Securities

2. From April 2009 to September 2013, Ditto Holdings raised approximately \$10 million from more than two hundred investors located throughout the United States through a series of common and preferred stock offerings as follows:

- a. Ditto Holdings raised approximately \$2.1 million from the sale of common stock to at least 68 individual investors from April 2009 to March 2012. At least 13 non-accredited investors purchased common stock from Ditto Holdings during those offerings.
- b. Ditto Holdings raised approximately \$1.7 million from the sale of Series A preferred stock to at least 36 accredited investors from April 2011 to June 2012.
- c. Ditto Holdings raised approximately \$2.6 million from the sale of Series B preferred stock to at least 39 individual investors from June 2012 to January 2013. At least 10 non-accredited investors purchased preferred stock from Ditto Holdings during those offerings.
- d. Ditto Holdings raised approximately \$3.8 million from the sale of common stock to at least 104 individual investors from December 2012 to September 2013. At least 31 non-accredited investors purchased common stock from Ditto Holdings during those offerings.

3. Ditto Holdings did not maintain a complete and accurate set of financial records from its inception through at least September 2013. Ditto Holdings did not regularly prepare financial statements during that time period and has never had an audit performed on any of its financial statements.³

4. Ditto Holdings prepared offering documents for several of its securities offerings, but it did not provide the offering documents to everyone who was offered the opportunity to

² Ditto Holdings, Inc. was formed in December 2010 as a successor to FB Financial Group, Inc., an Illinois corporation that was formed in January 2009. Ditto Holdings changed its name to So Ves Tech, Inc. in December 2014. For simplicity, we refer to all of these entities as Ditto Holdings throughout this Order.

³ Ditto Trade, Ditto Holdings’ sole operating subsidiary, has had its financial statements audited annually since 2010. Some investors were provided with certain historical and projected financial information about Ditto Trade.

purchase its securities. Further, the offering documents did not include financial statements or certain other required financial information about Ditto Holdings, and Ditto Holdings did not otherwise provide this information to any investors.

5. Beginning in August 2012, Ditto Holdings entered into a series of agreements with Marc Mandel ("Mandel"). Under the agreements, Mandel agreed to co-develop with Ditto Holdings an internet-based radio show covering the stock markets and provided a number of services to Ditto Holdings, including, among other things, marketing, product offerings, industry trends, and investor offerings. Mandel also hosted a radio program, on which Ditto Trade advertised, and distributed an investing newsletter. Mandel introduced his newsletter subscribers to Ditto Holding's securities offerings and also to Ditto Trade's features and services. From September 2012 to September 2013, Ditto Holdings paid Mandel at least \$265,000 and granted him warrants to purchase more than 800,000 shares of Ditto Holdings' common stock at a favorable exercise price.

6. Mandel sent numerous emails to his roughly 350 newsletter subscribers about Ditto Holdings and hosted a series of online webinars and in-person meetings for investors with Ditto Holdings' Chief Executive Officer.

7. From late 2012 to September 2013, more than seventy of Mandel's subscribers purchased securities from Ditto Holdings at a total cost of approximately \$3.7 million.

8. No registration statement was filed in connection with any of Ditto Holdings' securities offerings, and an exemption from registration was not available to all of the transactions.

Violation

9. As a result of the conduct described above, Ditto Holdings violated Sections 5(a) and 5(c) of the Securities Act, which prohibit the direct or indirect offer and sale of securities through the mails or interstate commerce unless a registration statement has been filed or is in effect or an exemption from registration is available.

Undertaking

10. In determining whether to accept the Respondent's Offer, the Commission has considered the following undertaking:

- a. Respondent agrees to cooperate fully with the Commission with respect to this action and any judicial or administrative proceeding or investigation commenced by the Commission or to which the Commission is a party relating to the matters in this Order or other matters related to Ditto Holdings' securities or officers. Respondent's cooperation shall include, but is not limited to:
 - i. Production of Information. At the Commission's request on reasonable notice and without a subpoena, Respondent shall truthfully and completely disclose information and documents requested by

Commission staff in connection with the Commission's related investigation, litigation or other proceedings. Respondent will have no obligation to provide information or documents voluntarily that it is not able to provide without a subpoena.

- ii. Production of Cooperative Personnel. At the Commission's request on reasonable notice and without a subpoena, Respondent shall use reasonable efforts to secure the attendance and truthful statements or testimony of any current partner, officer, agent, or employee of Respondent, at any meeting, interview, testimony, deposition, trial or other legal proceeding.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED that:

1. Pursuant to Section 8A of the Securities Act, Respondent Ditto Holdings cease and desist from committing or causing any violations and any future violations of Sections 5(a) and 5(c) of the Securities Act;
2. Respondent Ditto Holdings shall pay a civil money penalty in the amount of \$50,000 to the Securities and Exchange Commission. Payment shall be made in the following installments:
 - (1) \$16,667 within twenty days of entry of this Order;
 - (2) \$16,667 within eighty days of entry of this Order; and
 - (3) \$16,666 within one hundred forty days of entry of this Order.

If any payment is not made by the date the payment is required by this Order, the entire outstanding balance of civil penalties, plus any additional interest accrued pursuant to 31 U.S.C. 3717, shall be due and payable immediately, without further application. Payment must be made in one of the following ways:

- (1) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (2) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341

6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Ditto Holdings, Inc. as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Anne C. McKinley, Assistant Regional Director, Division of Enforcement, Securities and Exchange Commission, Chicago Regional Office, 175 West Jackson Boulevard, Suite 900, Chicago, Illinois 60604.

By the Commission.

Brent J. Fields
Secretary