UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9963 / October 16, 2015

SECURITIES EXCHANGE ACT OF 1934
Release No. 76178 / October 16, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16509

In the Matter of **EDWARD M. DASPIN, a/k/a "EDWARD (ED) MICHAEL;" LUIGI AGOSTINI; and LAWRENCE R. LUX,** **Respondents.**	**ORDER MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS AND A CEASE–AND–DESIST ORDER PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTIONS 15(b) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 AS TO LAWRENCE R. LUX**

I.

On April 23, 2015, the Securities and Exchange Commission ("Commission") deeming it appropriate and in the public interest, instituted public administrative and cease-and-desist proceedings pursuant to Section 8A of the Securities Act of 1933 ("Securities Act"), and Sections 15(b) and 21C of the Securities Exchange Act of 1934 ("Exchange Act") against Lawrence R. Lux ("Lux" or "Respondent").

II.

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 him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Making Findings and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933 and Sections 15(b) and 21C of the Securities Exchange Act of 1934 as to Lawrence R. Lux

("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds[1] that:

A. The Fraud

1. In April 2010, Edward M. Daspin ("Daspin") started a new business capitalizing on the growing popularity of "mixed martial arts." To this end, he founded several companies in his basement: Worldwide Mixed Martial Arts Sports, Inc. ("WMMA"), WMMA Distribution, Inc. ("WMMA Distribution"), and WMMA Holdings, Inc. (collectively the "Companies"). The companies operated out of Daspin's home until they relocated to commercial office space in Little Falls, NJ.

2. As conceived and structured by Daspin, WMMA would contract with local promoters to organize mixed martial arts tournaments around the world and create digital content and branded merchandise. As Daspin envisioned it, WMMA Distribution would sell the content and merchandise, via cable television contracts and online viewing and product sales.

3. WMMA Holdings held the controlling interest in WMMA and WMMA Distribution, and the controlling interest in WMMA Holdings was held by three limited partnerships controlled by Daspin's wife. Daspin was the architect of the corporate structure and made all decisions regarding intra-companies transfers of stock.

4. Daspin enlisted Luigi Agostini ("Agostini"), a friend of his son's, to serve as executive chairman of each of the Companies' boards of directors. Agostini had worked with Daspin at two of Daspin's prior failed ventures; at one of them Agostini was also held out as the company's chairman.

5. Daspin also recruited Lux to serve as a director and CEO of WMMA and WMMA Distribution, and a director of WMMA Holdings. Lux was previously involved in another Daspin venture, a purported private equity company, of which Daspin was the senior partner. According to WMMA's and WMMA Distribution's private placement memorandums ("PPMs"), Lux had an expertise in internet marketing, had been involved with several internet start-ups, and had experience in raising capital for start-ups.

6. Despite officially having no formal role at the Companies, Daspin effectively operated as the Companies' CEO, with authority to make almost every important decision, including decisions about the hiring of employees and executives, capital raising, and negotiating contracts and transactions with third parties.

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[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.

7. Daspin's fraudulent conduct included several oral misrepresentations to investors about the Companies. For example, Daspin falsely presented himself to employee-investors as only a consultant to the Companies, when in reality he effectively operated as the CEO. Daspin also used an alias in order to conceal from investors his prior criminal conviction and failed business ventures; Daspin only revealed his true identity to investors when they were on the verge of investing.

8. WMMA issued two PPMs, dated July 31, 2011 and January 5, 2012, which were provided to prospective investors. At Daspin's direction, the PPMs contained several material misrepresentations. For example, the PPMs misleadingly described Daspin as only a consultant to the Companies and told investors that Lux, Agostini, and a third individual, were the Companies' directors and senior officers. In reality, Daspin exercised ultimate control over virtually every important business decision of the Companies. Agostini, who had previously worked as a disc jockey and in music production, deferred to Daspin on all important business decisions, Lux was often absent from the Companies' offices and distracted by personal issues, and the third individual had not previously been involved in a business other than a chiropractic practice.

9. Additionally, Daspin caused the PPMs to materially misrepresent the nature and value of a contract between WMMA and International Marketing Corporations, Inc. ("IMC"), a marketing database company. The PPMs described the contract as a "long-term strategic alliance" that gave WMMA access to more than 130 million U.S. mobile phone numbers, 4 million websites, 840 million opt-in email addresses, and 100 million press release outfits. The PPMs failed to disclose facts that, at a minimum, raised substantial questions about the truth of these statements and whether the database would be of any real use to the Companies.

10. In addition, at Daspin's insistence, the narrative portion of the January 2012 WMMA PPM included a representation that a consultant (actually Daspin) valued the IMC contract at $82 million – albeit admittedly not in accordance with GAAP – and that WMMA's board had purportedly approved the valuation and requested that the valuation be included in the PPM. This valuation amount was essentially baseless.

11. In raising money for the venture, Daspin targeted unemployed professionals, whom he lured in with offers of executive-level positions at the Companies. Typically, it was only after prospects arrived for a "job interview" that they learned that they would be required to make a substantial investment as a condition of obtaining employment and receiving a salary. From September 2011 through March 2012, Daspin, with the assistance of Lux, fraudulently raised $2,037,000 from six employee-investors.

12. The Companies paid two entities controlled by Daspin approximately $382,000 for bringing in investments. Daspin received a substantial portion of this money. Lux was paid approximately $9,000 for his role in bringing in investments. Between 2011 and 2012, Lux received a total of $36,853 from the Companies.

B. Lux's Role in the Fraud

13. Daspin recruited Lux to serve as a director and CEO of the Companies. Lux served an essential role in Daspin's fraud, enabling Daspin to control the Companies while maintaining the illusion that he was only a consultant. Although Lux, along with Agostini, and another individual, was ostensibly one of Companies' directors and senior officers, he either deferred or acquiesced to Daspin on all important matters. The directors approved the decision to delegate virtually all of the Companies' important business decisions to Daspin. No one at the Companies was responsible for supervising Daspin's actions as a "consultant."

14. Lux was fully aware of the true ownership structure of the Companies and Daspin's control. He was also fully aware of Daspin's criminal conviction and string of failed ventures. In addition, Lux was beholden to Daspin and needed the job that Daspin provided, although ultimately it did not prove remunerative for Lux.

15. Lux and Agostini arranged for the Companies' investment fundraising to be delegated to Daspin, and they knew that Daspin was disseminating the Companies' offering memoranda to prospective investors. Lux and Agostini both turned a blind eye to the content of the offering memoranda. At most, Lux skimmed the PPMs, despite knowing that they contained unreasonable financial figures, and that he did not seek to correct those documents so that they would not be misleading to potential investors.

16. In addition, soliciting investors was a big part of Lux's job at the companies and he participated in the solicitation of prospective investors. Lux thus witnessed Daspin's active concealment of his true identity until late in the solicitation process, and was aware, or reckless for not knowing, that the Companies' PPMs omitted to disclose Daspin's true control of the Companies.

17. The offerings of WMMA and WMMA Distribution securities were not registered with the Commission. Lux, along with Daspin, acted as an unregistered broker by, among other things, actively soliciting investments in those securities, providing prospective investors with advice as to the merits of investments, and receiving compensation based on the sale of those securities.

18. Lux also knew that WMMA's PPM contained baseless valuations for the IMC contract and he told Daspin that his valuation methodology was baseless. Nevertheless, Lux participated in the board meeting of WMMA at which the board approved the $82 million valuation of the IMC contract and the inclusion of the valuation in WMMA's January 2012 PPM.

C. The End of the Companies

19. In March 2012, the Companies produced a charity fundraising mixed martial arts event in El Paso, Texas to generate brand recognition for WMMA. Instead, the El Paso event was the death knell for the Companies, resulting in a loss of approximately $500,000 and consuming

most of their remaining cash. By June 2012, if not sooner, the Companies had run out of cash, and ceased doing business.

RESPONDENT VIOLATED SECTIONS 5(a), 5(c), AND 17(a) OF THE SECURITES ACT AND SECTION 15(a) OF THE EXCHANGE ACT

20. As a result of the conduct described above, Respondent willfully violated Sections 17(a)(2) and 17(a)(3) of the Securities Act by negligently participating in the solicitation of investors even though he knew or should have known there was no reasonable basis for the descriptions of the IMC database in the PPMs and the $82 million valuation of the IMC contract in the January 2012 WMMA PPM and because he knew or should have known that Daspin actively concealed his true identity to investors until late in the solicitation process.

21. As a result of the conduct described above, Respondent willfully violated Sections 5(a) and 5(c) of the Securities Act by participating in the unregistered offerings of securities for which no exemption from registration was available.

22. As a result of the conduct described above, Respondent willfully violated Section 15(a) of the Exchange Act by engaging in unregistered brokerage activity.

COMMISSION FINDINGS

Based on the foregoing, the Commission finds that:

23. Respondent willfully violated Sections 17(a)(2) and 17(a)(3) of the Securities Act;

24. Respondent willfully violated Sections 5(a) and 5(c) of the Securities Act; and

25. Respondent willfully violated Section 15(a) of the Exchange Act.

UNDERTAKINGS

26. In connection with these proceedings and any related judicial or administrative proceeding or investigation commenced by the Commission or to which the Commission is a party, Respondent (i) agrees to appear and be interviewed by Commission staff at such times and places as the staff requests upon reasonable notice; (ii) will accept service by mail, electronic mail, or facsimile transmission of notices or subpoenas issued by the Commission for documents or testimony at depositions, hearings, or trials, or in connection with any related investigation by Commission staff; (iii) with respect to such notices and subpoenas, waives the territorial limits on service contained in Rule 45 of the Federal Rules of Civil Procedure and any applicable local rules, provided that the party requesting the testimony reimburses Respondent's travel, lodging, and subsistence expenses at the then-prevailing U.S. Government per diem rates; and (iv) consents to personal jurisdiction over Respondent in any United States District Court for purposes of enforcing any such subpoena.

27. In determining whether to accept Respondent Lux's Offer, the Commission has

considered the cooperation Lux afforded the Commission staff, and the above undertakings.

IV.

In view of the foregoing, the Commission deems it appropriate, in the public interest, and for the protection of investors to impose the sanctions agreed to in Respondent Lux's Offer.

Accordingly, pursuant to Section 8A of the Securities Act and Sections 15(b) and 21C of the Exchange Act, it is hereby ORDERED that:

A. Respondent Lux cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act, Sections 5(a) and 5(c) of the Securities Act and Section 15(a) of the Exchange Act.

B. Respondent Lux be, and hereby is, barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

C. Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

D. Respondent shall pay disgorgement of $36,853.21 which represents profits gained as a result of the conduct described herein, and prejudgment interest of $4,061.05, but that payment of such amount is waived based upon Respondent's sworn representations in his Statement of Financial Condition dated August 17, 2015 and other documents submitted to the Commission. Also based upon Respondent's sworn representations in his Statement of Financial Condition dated August 17, 2015 and other documents submitted to the Commission, the Commission is not imposing a penalty against Respondent.

E. The Division of Enforcement ("Division") may, at any time following the entry of this Order, petition the Commission to: (1) reopen this matter to consider whether Respondent knowingly provided materially false or misleading information or materials to the Commission or in a related proceeding; provided inaccurate or incomplete financial information at the time such representations were made; or otherwise failed to comply with the undertakings enumerated in Section III, Paragraph 26 of the Order; and (2) seek an order directing payment of a civil penalty and/or disgorgement and pre-judgment interest. No other issue shall be considered in connection

with this petition other than whether Respondent knowingly provided materially false or misleading information or materials to the Commission or in a related proceeding; whether the financial information provided by Respondent was fraudulent, misleading, inaccurate, or incomplete in any material respect; and whether Respondent otherwise failed to comply with the undertakings enumerated in Section III, Paragraph 26 of the Order. Respondent may not, by way of defense to any such petition: (1) contest the findings in this Order; (2) assert that payment of disgorgement and interest, or payment of a penalty, should not be ordered; (3) contest the amount of disgorgement and interest to be ordered or the imposition of the maximum penalty allowable under the law; or (4) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields
Secretary