

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

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SECURITIES ACT OF 1933
Release No. 9755 / April 23, 2015

SECURITIES EXCHANGE ACT OF 1934
Release No. 74799 / April 23, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16509

----- X
In the Matter of

EDWARD M. DASPIN, a/k/a
"EDWARD (ED) MICHAEL";
LUIGI AGOSTINI; and
LAWRENCE R. LUX,

Respondents.

ANSWER TO THE ORDER
INSTITUTING
ADMINISTRATIVE AND CEASE
AND DESIST PROCEEDINGS
OF RESPONDENT EDWARD M.
DASPIN

----- X
Pursuant to Rule 220 of the Securities and Exchange Commission's Rules of Practice, Respondent Edward M. Daspin ("Daspin"), by and through his counsel, Herrick, Feinstein LLP, hereby answers the Order Instituting Administrative and Cease and Desist Proceedings (the "OIP") of the Securities and Exchange Commission ("Commission") as follows:

PRELIMINARY STATEMENT

At its core, the OIP alleges that Daspin purposefully set out to dupe individuals into investing (the "investor-operators") in the start-up companies Worldwide Mixed Martial

Arts Sports, Inc. (“WMMA”), WMMA Distribution, Inc. (“WMMA Distribution”), and/or their affiliated entities,¹ all in a purportedly choreographed scheme to defraud unwitting, neophyte investors in order to profit at their expense. Nothing could be further from the truth. No one got rich off of the WMMA Companies or any of the funds provided by the investor-operators. The investor-operators did not fund any lavish lifestyle at their expense. Rather, the cash raised from the investor-operators paid, first and foremost, for company operations -- operations that those very investors oversaw -- and to a much lesser extent consultant and vendor services, and the draws of working individuals. As the Commission well knows, a business failure is not the same thing as a securities law violation, and the Commission should not confuse a situation of underfunding and mismanagement with purported violations of the securities laws or fraud.

Daspin worked tirelessly for about two years in an attempt to see the WMMA Companies achieve success. For example, Daspin, at the direction of the boards of directors of the WMMA Companies, along with one member of the boards of directors of the WMMA Companies, and on behalf of the WMMA Companies, traveled to South America, Central America and Europe, where they organized a number of WMMA foreign affiliates and negotiated regional contracts in Brazil, Germany, the United Kingdom, and Ireland. It was these efforts that led to the WMMA Companies becoming operational and organizing on the order of a dozen events between November 2011 and March 2012. These efforts, for example, opened the door to communications with Grupo Abril, a Brazilian media conglomerate headquartered in São Paulo, for the broadcasting of mixed martial arts events in South America. In fact, Daspin participated in the negotiations of on the order of 60 contracts on behalf of the WMMA Companies. Simply stated, Daspin, and others, sought to ensure that the WMMA Companies became international in

¹ WMMA, WMMA Distribution and other affiliated companies identified in the OIP shall hereinafter be collectively referred to as the “WMMA Companies” or “Companies”.

scope, and international in success. Daspin did not attempt to defraud investors, he attempted to implement a strategic plan for the WMMA Companies, which involved developing low cost, high quality mixed martial arts tournaments throughout the world. But in return for his efforts, Daspin recouped only a small fraction of the fees he properly earned, and was forced to stand by while the investor-operators themselves drove the WMMA Companies into near bankruptcy with poor business decisions that led to a mixed martial arts tournament in El Paso, Texas in March 2012, that resulted in the loss of a significant amount of money. In fact, the investor-operators directed the expenditure of more WMMA Company resources on this single tournament than had been spent on the dozen tournaments that preceded it. It was the mismanagement (and vast over expenditures) by these WMMA Company executives on the El Paso, Texas event, and not any fraud committed by Daspin, that drove the WMMA Companies out of business.

Moreover, substantial evidence exists suggesting that certain WMMA Company investor-operators even encouraged the collapse of the WMMA Companies. They arguably did so in a concerted effort to drive down the value of the Companies so that they could effectuate a low-cost buyout that would result in those same investor-operators obtaining a greater interest in the WMMA Companies for themselves, all to the anticipated exclusion of Daspin.

In this matter, a group of highly educated professionals independently made decisions to not only invest in, but also to join -- and to fully operate on a day-to-day basis -- the WMMA Companies, a group of growing companies that, unfortunately, ultimately failed. The investor-operators were not uninformed lay people making a passive investment in a faraway business opportunity. Rather, they were sophisticated business executives who chose to fund a nascent start-up venture, which they actively operated. To be sure, in the OIP the SEC purposely

steers clear of any mention of the striking credentials of such “investors” -- but in reality, these executives, who ran the WMMA Companies on a daily basis, included, for example:

- an MBA with 25 years of financial, treasury and risk management experience with Fortune 500 Companies who, prior to joining WMMA, spent thirteen (13) years as the Vice President and Chief Risk Officer at an energy company;
- a Columbia University graduate with a degree in engineering who, prior to joining WMMA, was the Director of Liquidity and Treasury at an asset management company where he focused on liquidity risk management of the company’s approximately \$8 billion under management, and who formerly held positions at Merrill Lynch, Morgan Stanley and KPMG;
- a former Vice President of Treasury Operations at AIG Credit Corporation with an MBA in finance who, during her twelve (12) year tenure at AIG, did capital structure analysis for a \$6 billion capital portfolio, and led all Treasury-related Audit and SOX compliance; and
- a Harvard MBA and Princeton graduate with twenty-eight (28) years of experience in the broadcast and entertainment industry.

Although the SEC would have this Court believe that these individuals were scammed into investing in the WMMA Companies, the evidence will demonstrate that that is certainly not the case. Indeed, certain investor-operators not only provided seed capital for the WMMA Companies, but also invested further infusions of cash *after* working for the Companies for months, *after* working side by side with Daspin, *after* determining that these Companies were not sham entities, but rather, were operational start-ups that had the potential to achieve success, and *after* obtaining a full working knowledge of the Companies, their structures, and their financial condition. Rather than being swindled by Daspin, the investor-operators were, in fact, active participants in growing a potentially very successful start-up business. Indeed, certain of these investor-operators even aided certified public accountant, Mike Nwogugu (not Daspin) in Nwogugu’s role as the primary drafter of the WMMA Companies’ private placement

memoranda (PPMs) -- the very documents that the SEC mistakenly seeks to fault Daspin for now.

The SEC alleges that Daspin controlled the WMMA Companies. But Daspin was not an owner, operator, officer or director of the WMMA Companies when they were formed. Rather, he was a consultant, offering services through consulting companies, and earning payment in precise accordance with a contract -- a contract that limited the fees that could be obtained so as to protect the WMMA Companies from over-expenditures and waste. Daspin's limited role, far from being deceitful, was not only fully disclosed, but fit precisely within his experience and his expertise. Daspin did not run companies for a living. He was the architect that envisioned them. Daspin helped individuals build organizations, and he experienced success in the negotiations and deal-making that would make them successful. This is the exact same thing that Daspin did here. Daspin envisioned the WMMA Companies, his sagacity led them to fruition, and his insight ensured that they were staffed with individuals who were intelligent and were experienced enough to manage and operate the entities in a successful manner. A series of family limited liability partnerships owned by Daspin's wife held warrants that, if exercised, would have given those entities a majority ownership in the WMMA Companies. Thus, in truth and fact, Daspin had the same (if not more) incentive for success as did any cash or sweat equity investor in any of the WMMA Companies.

This matter is really about the investor-operators seeking to recoup their lost investments, after they depleted those investments through their own mismanagement of the WMMA Companies. While they are now seeking to point fingers at the convenient target of Daspin, Daspin is not responsible for these losses.

This matter is not about a fraud. It is about a failed business venture -- an unfortunate, yet common, occurrence when dealing with start-up business ventures like the WMMA Companies.

I.

Section I. Section I of the OIP contains no factual allegations, and thus, no response is required. To the extent that Section I can be considered to contain factual allegations asserted against Daspin, they are denied.

II.

SUMMARY

1. Admitted only that WMMA and WMMA Distribution are affiliated entities. To the extent that any of the remaining allegations in this Paragraph consist of legal conclusions, no response is required, and such allegations are therefore denied. To the extent that any of the remaining allegations in this Paragraph are directed toward a party other than Daspin, no response is required, and such allegations are therefore denied. To the extent that any of the remaining allegations in this Paragraph are deemed to be directed toward Daspin, or to require a response from Daspin, they are denied.

2. Admitted only that WMMA and WMMA Distribution obtained cash investments from seven purportedly accredited investors totaling approximately \$2.4 million. To the extent that any of the remaining allegations in this Paragraph consist of legal conclusions, no response is required, and such allegations are therefore denied. To the extent that any of the remaining allegations in this Paragraph are directed toward a party other than Daspin, no response is required, and such allegations are therefore denied. To the extent that any of the remaining allegations in this Paragraph are deemed to be directed toward Daspin, or to require a response from Daspin, they are denied.

3. Denied.

4. Denied.

5. Daspin neither admits nor denies the allegations contained in this Paragraph that concern the content of the PPMs of the WMMA Companies. Such documents speak for themselves. Daspin respectfully refers the Court to such documents for a true reflection of their contents, and denies any allegations in this Paragraph inconsistent therewith. To the extent that the allegations in this Paragraph relate to purported “material” misrepresentations or omissions, such allegations consist of legal conclusions for which no response is required, and thus, such allegations are denied. The remaining allegations in this Paragraph are denied.

6. Admitted that the offerings of WMMA and WMMA Distribution securities were not registered with the Commission. To the extent that any of the remaining allegations in this Paragraph are directed toward a party other than Daspin, no response is required, and such allegations are therefore denied. The remaining allegations in this Paragraph that are directed toward Daspin are denied.

7. The allegations in this Paragraph consist of legal conclusions and allegations against parties other than Daspin. For this reason, no response is required, and such allegations are therefore denied. To the extent that any of the allegations in this Paragraph are deemed to be directed toward Daspin, or to require a response from Daspin, they are denied.

8. Admitted only that the WMMA Companies organized a mixed martial arts event in March 2012, which was unsuccessful, and are no longer actively engaged in day-to-day operations today. The remaining allegations in this Paragraph are denied.

9. The allegations contained in this Paragraph consist of legal conclusions for which no response is required, and such allegations are therefore denied. To the extent that the allegations contained in this Paragraph are directed toward a party other than Daspin, no response is required, and such allegations are therefore denied for this reason as well. To the extent that any of the remaining allegations in this Paragraph are deemed to be directed toward Daspin, or to require a response from Daspin, they are denied.

RESPONDENTS

10. Admitted that Daspin participated with others in the start-up of the WMMA Companies. Admitted that Daspin is a 77-year old man with a past felony conviction who resides in Boonton, New Jersey. Admitted that Daspin has never been registered with the Commission as a broker-dealer or associated with a registered broker-dealer. The remaining allegations in this Paragraph are denied.

11. Upon information and belief, admitted.

12. Admitted only that Respondent Lawrence R. Lux (“Lux”) served as a director and/or as CEO of the WMMA Companies. With regard to the remaining allegations in this Paragraph that concern Lux, Daspin does not have, and is unable to obtain, sufficient information to form a belief as to the truth or falsity of such allegations, and such allegations are therefore denied.

RELATED ENTITIES AND INDIVIDUALS

A. The WMMA Companies

13. Admitted.

14. Admitted only that WMMA Distribution was formerly known as American Graphics Communications and Distribution Services, was organized under the laws of

Nevada, was a subsidiary of WMMA Holdings, Inc. (“WMMA Holdings”), and was created for the purpose of distributing WMMA-branded digital content and related products. The remaining allegations in this Paragraph are denied.

15. Admitted only that WMMA Holdings was organized under the laws of Nevada and became the parent company of WMMA Distribution and WMMA. The remaining allegations in this Paragraph are denied.

B. The Consulting Companies

16. Admitted only that Daspin provided certain consulting services to the WMMA Companies through Consultants for Business & Industry, Inc. (“CBI”) and MacKenzie Mergers & Acquisitions (“MKMA”), both of which had a consulting contract with the WMMA Companies. Admitted further that CBI was organized under the laws of New Jersey. The remaining allegations in this Paragraph are denied.

17. Admitted.

FACTS

A. Background

18. Admitted that Daspin participated with others at the inception of the WMMA Companies, that the WMMA Companies were expected to engage in business in the mixed martial arts industry, including the organization of tournaments around the world and the creation of digital content and branded merchandise, and that WMMA Distribution would sell the content and merchandise. Admitted further that the WMMA Companies were initially operated out of the basement of Daspin's home until corporate office space was obtained. The remaining allegations in this Paragraph are denied.

19. Admitted only that, subsequent to its incorporation, WMMA Holdings held majority stock interests in both WMMA and WMMA Distribution. The remaining allegations in this Paragraph are denied.

20. Admitted only that Agostini had been a friend of Daspin's now-deceased son, served as executive chairman of the board of each of the WMMA Companies, and that Daspin had, prior to his involvement with WMMA, been involved in certain prior business ventures in which Agostini was also involved. The remaining allegations in this Paragraph are denied.

21. Admitted only that Lux served as a director and/or as CEO of the WMMA Companies. Admitted further that Daspin had, prior to his involvement with WMMA, been involved in a prior business venture in which Lux was also involved. Daspin neither admits nor denies the allegations contained in this Paragraph that concern the content of the private placement memorandums of the WMMA Companies ("PPMs"). Such documents speak for themselves. Daspin respectfully refers the Court to such documents for a true reflection of their

contents, and denies any allegations in this Paragraph inconsistent therewith. The remaining allegations in this Paragraph are denied.

22. Admitted only that a president of WMMA and WMMA Distribution also served as a director of WMMA, WMMA Distribution and WMMA Holdings, this person had an interest in mixed martial arts, and this person invested approximately \$333,333 in the WMMA Companies. The remaining allegations in this Paragraph are denied.

23. Admitted only that an individual with whom Daspin had previously worked joined the WMMA Companies where, among other things, he drafted contracts, other documents, and the PPMs. The remaining allegations in this Paragraph are denied.

B. The Consulting Agreement

24. Admitted only that Daspin provided certain consulting services to the WMMA Companies through CBI and MKMA, which held consulting contracts with the WMMA Companies. The remaining allegations in this Paragraph are denied.

25. Admitted only that Daspin caused CBI to enter into a consulting agreement with WMMA and WMMA Holdings. Daspin neither admits nor denies the remaining allegations contained in this Paragraph, which concern the content of various contracts and agreements. Such documents speak for themselves. Daspin respectfully refers the Court to such documents for a true reflection of their contents, and denies any allegations in this Paragraph inconsistent therewith.

26. Admitted only that CBI assigned a services contract relating to the WMMA Companies to MKMA, that Daspin provided certain consulting services to the WMMA Companies through CBI and MKMA, and that Daspin was designated as a Senior Vice President of MKMA. Daspin neither admits nor denies the remaining allegations contained in this

Paragraph, which concern the content of various contracts and agreements. Such documents speak for themselves. Daspin respectfully refers the Court to such documents for a true reflection of their contents, and denies any allegations in this Paragraph inconsistent therewith.

27. Daspin neither admits nor denies the allegations contained in this Paragraph, which concern the content of various contracts and agreements. Such documents speak for themselves. Daspin respectfully refers the Court to such documents for a true reflection of their contents, and denies any allegations in this Paragraph inconsistent therewith.

28. Admitted only that MKMA earned the right to receive human resources commissions for services performed in connection with the recruitment of the investor operators of the WMMA Companies based on an annual salary for such individuals of \$150,000, and also earned the right to receive human resources commissions for services performed in connection with the recruitment of other employees. Daspin neither admits nor denies the allegations contained in this Paragraph that concern the content of various contracts and agreements. Such documents speak for themselves. Daspin respectfully refers the Court to such documents for a true reflection of their contents, and denies any allegations in this Paragraph inconsistent therewith. Daspin denies the remaining allegations in this Paragraph.

29. Daspin neither admits nor denies the allegations contained in this Paragraph, which concern the content of various contracts and agreements. Such documents speak for themselves. Daspin respectfully refers the Court to such documents for a true reflection of their contents, and denies any allegations in this Paragraph inconsistent therewith.

30. Denied.

31. Denied.

C. Oral Misrepresentations and Omissions in Soliciting Investors

32. To the extent that the allegations contained in this Paragraph consist of legal conclusions, no response is required, and such allegations are therefore denied. The remaining allegations in this Paragraph are denied.

33. Denied.

34. The allegations contained in this Paragraph consist of legal conclusions, to which no response is required, and such allegations are therefore denied. To the extent that any of the allegations in this Paragraph are deemed to require a response from Daspin, they are denied.

35. Daspin neither admits nor denies the allegations contained in this Paragraph that concern the content of various contracts and agreements. Such documents speak for themselves. Daspin respectfully refers the Court to such documents for a true reflection of their contents, and denies any allegations in this Paragraph inconsistent therewith. To the extent that any of the remaining allegations in this Paragraph concern work purportedly performed by Daspin and/or his wife, Daspin admits that he and his wife performed human resources consulting services for the WMMA Companies, that his wife reviewed resumes, and that certain executive employee job candidates of the WMMA Companies were interviewed, at least in part, by telephone and/or by Skype. The remaining allegations in this Paragraph are denied.

36. Denied.

37. Denied.

38. Denied.

39. Denied.

40. Denied.

41. Denied.

D. Misrepresentations to Prospective Investors in the PPMs

i. Misrepresentation of Daspin's Role at the Companies

42. Daspin neither admits nor denies the allegations contained in this Paragraph that concern the content of various PPMs. Such documents speak for themselves. Daspin respectfully refers the Court to such documents for a true reflection of their contents, and denies any allegations in this Paragraph inconsistent therewith. As to the remaining allegations contained in this Paragraph, which concern purported representations made to employment applicants to the WMMA Companies, Daspin admits only that, during interviews in which he was present, employment applicants were advised of the consulting services provided by Daspin and the identity of the WMMA Companies' directors and officers. The remaining allegations in this Paragraph are denied.

43. Daspin neither admits nor denies the allegations contained in this Paragraph that concern the content of various trust and sale agreements. Such documents speak for themselves. Daspin respectfully refers the Court to such documents for a true reflection of their contents, and denies any allegations in this Paragraph inconsistent therewith. The remaining allegations in this Paragraph are denied.

44. Admitted only that, upon information and belief, Agostini had previously worked in the music industry. The remaining allegations in this Paragraph are denied.

45. Admitted only that Agostini and Daspin's wife, at certain times during the relevant time period discussed in the OIP, had authority to sign, and did sign, checks on behalf of the WMMA Companies. To the extent that the remaining allegations in this Paragraph are directed toward a party other than Daspin, no response is required, and such allegations are

therefore denied. To the extent that the remaining allegations in this Paragraph are directed toward, or require a response from, Daspin, they are denied.

46. Daspin neither admits nor denies the allegations contained in this Paragraph that concern the content of various PPMs. Such documents speak for themselves. Daspin respectfully refers the Court to such documents for a true reflection of their contents, and denies any allegations in this Paragraph inconsistent therewith. The remaining allegations in this Paragraph are denied.

ii. Misrepresentations About the IMC Contract

47. Daspin neither admits nor denies the allegations contained in this Paragraph that concern the content of various PPMs. Such documents speak for themselves. Daspin respectfully refers the Court to such documents for a true reflection of their contents, and denies any allegations in this Paragraph inconsistent therewith. The remaining allegations in this Paragraph are denied.

a. The Misleading Description of the IMC Contract

48. Daspin neither admits nor denies the allegations contained in this Paragraph that concern the content of various PPMs. Such documents speak for themselves. Daspin respectfully refers the Court to such documents for a true reflection of their contents, and denies any allegations in this Paragraph inconsistent therewith.

49. Daspin neither admits nor denies the allegations contained in this Paragraph that concern the content of various PPMs. Such documents speak for themselves. Daspin respectfully refers the Court to such documents for a true reflection of their contents, and denies any allegations in this Paragraph inconsistent therewith.

50. Denied.

51. Denied.

b. The Unreasonable Valuations of the IMC Contract

52. Daspin neither admits nor denies the allegations contained in this Paragraph that concern the content of various PPMs. Such documents speak for themselves. Daspin respectfully refers the Court to such documents for a true reflection of their contents, and denies any allegations in this Paragraph inconsistent therewith. The remaining allegations in this Paragraph are denied.

53. Denied.

54. Daspin neither admits nor denies the allegations contained in this Paragraph that concern the content of the January 2012 PPM. This document speaks for itself. Daspin respectfully refers the Court to this document for a true reflection of its content, and denies any allegations in this Paragraph inconsistent therewith. The remaining allegations in this Paragraph are denied.

55. Daspin neither admits nor denies the allegations contained in this Paragraph that concern the content of the January 2012 PPM. This document speaks for itself. Daspin respectfully refers the Court to this document for a true reflection of its content, and denies any allegations in this Paragraph inconsistent therewith. The remaining allegations in this Paragraph are denied.

56. Denied.

57. Denied.

c. Misrepresentations About Cash on Hand

58. Daspin neither admits nor denies the allegations contained in this Paragraph that concern the content of the January 5, 2012 PPM. This document speaks for itself. Daspin respectfully refers the Court to this document for a true reflection of its content, and denies any allegations in this Paragraph inconsistent therewith. To the extent that the remaining allegations in this Paragraph are directed toward a party other than Daspin, no response is required, and such allegations are therefore denied. To the extent that the remaining allegations in this Paragraph are directed toward, or require a response from, Daspin, they are denied.

E. The Offerings of WWMA and WMMA Distribution Securities Were Not Registered

59. Admitted.

60. Admitted only that certain investors were not provided with audited balance sheets relating to the WMMA Companies, as there were no audited balance sheets. To the extent that the allegations in this Paragraph are directed toward a party other than Daspin, no response is required, and such allegations are therefore denied. To the extent that the allegations in this Paragraph are deemed to be directed toward, or require a response from, Daspin, they are denied.

F. Daspin's and Lux's Receipt of Commissions

61. Denied.

62. Admitted only that Daspin was not associated with a registered broker-dealer during the relevant period as defined in the OIP. To the extent that the remaining allegations in this Paragraph are directed toward a party other than Daspin, no response is required, and such allegations are therefore denied. To the extent that the remaining allegations

in this Paragraph are deemed to be directed toward, or require a response from, Daspin, they are denied.

G. The Roles of Agostini and Lux

63. Daspin neither admits nor denies the allegations contained in this Paragraph that concern the content of various trust and sale agreements. Such documents speak for themselves. Daspin respectfully refers the Court to such documents for a true reflection of their contents, and denies any allegations in this Paragraph inconsistent therewith. To the extent the remaining allegations in this Paragraph are directed toward a party other than Daspin, no response is required, and such allegations are therefore denied. To the extent that the remaining allegations in this Paragraph are directed toward, or require a response from, Daspin, they are denied.

64. The allegations in this Paragraph are directed toward parties other than Daspin, and thus, no response is required, and such allegations are therefore denied. To the extent that any of the allegations in this Paragraph are deemed to be directed toward Daspin, or to require a response from Daspin, they are denied.

65. The allegations in this Paragraph are directed toward a party other than Daspin, and thus, no response is required, and such allegations are therefore denied. To the extent that any of the remaining allegations in this Paragraph are deemed to be directed toward Daspin, or to require a response from Daspin, they are denied.

66. The allegations in this Paragraph are directed toward a party other than Daspin, and thus, no response is required, and such allegations are therefore denied. To the extent that any of the allegations contained in this Paragraph are directed toward, or are deemed to require a response from, Daspin, they are denied.

H. The End of the Companies

67. Admitted only that the March 2012 El Paso, Texas charity fund-raising mixed martial arts event resulted in a significant financial loss to the WMMA Companies. The remaining allegations in this Paragraph are denied.

VIOLATIONS

68. The allegations contained in this Paragraph consist of legal conclusions, and thus, no response is required, and such allegations are therefore denied.

69. The allegations contained in this Paragraph consist of legal conclusions directed toward a party other than Daspin, and thus, no response is required, and such allegations are therefore denied.

70. The allegations contained in this Paragraph consist of legal conclusions directed toward a party other than Daspin, and thus, no response is required, and such allegations are therefore denied.

71. The allegations contained in this Paragraph consist of legal conclusions, and thus, no response is required, and such allegations are therefore denied.

72. The allegations contained in this Paragraph consist of legal conclusions, and thus, no response is required, and such allegations are therefore denied.

73. The allegations contained in this Paragraph consist of legal conclusions, and thus, no response is required, and such allegations are therefore denied.

III.

Section III. Section III of the OIP contains no factual allegations, and thus, no response is required. To the extent that Section III can be considered to contain factual allegations asserted against Daspin, they are denied.

IV.

Section IV. Section IV of the OIP contains no factual allegations, and thus, no response is required. To the extent that Section IV can be considered to contain factual allegations asserted against Daspin, they are denied.

AFFIRMATIVE DEFENSES

Daspin asserts the following affirmative defenses and reserves the right to amend this Answer to assert other and further affirmative defenses when and if, in the course of his investigation, discovery, or preparation for hearing, it becomes appropriate.

FIRST DEFENSE

The OIP fails to state causes of action upon which relief may be granted.

SECOND DEFENSE

The claims asserted in the OIP are barred by the applicable statutes of limitations.

THIRD DEFENSE

The claims asserted in the OIP are barred by the documentary evidence.

FOURTH DEFENSE

The administrative proceeding deprives Daspin of his right to a jury trial, in violation of the Seventh Amendment.

FIFTH DEFENSE

There is no jurisdiction over Daspin in this forum, as jurisdiction, if any, could only be maintained in a Federal District Court for a number of reasons, including because the administrative law judge system violates the separation-of-powers doctrine, because, pursuant to 28 U.S.C. §1331 questions exist under federal law, and because the factors enumerated in the SEC's guidelines entitled "Division of Enforcement Approach to Forum Selection in Contested

Actions”, issued May 8, 2015, require that the claims asserted be litigated in a Federal District Court.

SIXTH DEFENSE

The administrative proceeding does not provide Daspin with due process for a number of reasons, including because the evidentiary rules in this forum favor the SEC, and because Daspin’s medical issues prevent him from adequately his defense counsel and participating in his own defense.

SEVENTH DEFENSE

Daspin has been deprived of equal protection under the law by virtue of the claims being brought as an administrative proceeding.

EIGHTH DEFENSE

The claims set forth in the OIP are barred by the doctrines of waiver, estoppel, and laches.

NINTH DEFENSE

Daspin at all time acted with reasonable care.

TENTH DEFENSE

The securities at issue were exempt from registration under the securities laws.

ELEVENTH DEFENSE

The alleged misrepresentations and omissions complained of were not material.

TWELFTH DEFENSE

Daspin did not make, or cause to be made, any misrepresentations or material omissions to any person in connection with the WMMA Companies, or the purchase or sale of any securities of the WMMA Companies.

THIRTEENTH DEFENSE

Daspin did not obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

FOURTEENTH DEFENSE

The Administrative Proceeding is missing a necessary party, International Marketing Corporations, Inc., which entered into a contract with WMMA for an email and telephone marketing database.

FIFTEENTH DEFENSE

The August 1, 2014 Wells Notice from the SEC Staff to Daspin (the "Wells Notice") did not disclose to Daspin that the SEC Staff was recommending charges against Daspin based on an allegation that Daspin purportedly obtained money or property in violation of Section 17(a)(2) of the Securities Act. Therefore, Daspin was not given proper notice or an opportunity to address this allegation.

SIXTEENTH DEFENSE

Daspin did not engage in, nor did he have any intent to in engage in, any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser of any securities.

SEVENTEENTH DEFENSE

Daspin did not, directly or indirectly, direct or engage in any unlawful act through or by means of another person.

EIGHTEENTH DEFENSE

Daspin did not, directly or indirectly, by the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange

employ, in connection with the purchase or sale of any security registered on a national securities exchange or any security not so registered, any manipulative or deceptive device or contrivance in contravention of the securities laws or regulations.

NINETEENTH DEFENSE

Daspin did not engage, directly or indirectly, in any improper brokerage activity.

TWENTIETH DEFENSE

The OIP fails to plead fraud with the requisite particularity.

TWENTY-FIRST DEFENSE

The claims are barred because Daspin did not act at any time with “scienter.”

TWENTY-SECOND DEFENSE

The claims are barred because no investor could have reasonably relied upon the alleged misrepresentations or omissions.

TWENTY-THIRD DEFENSE

The claims are barred because the alleged misrepresentations or omissions did not alter the total mix of information available to investors.

TWENTY-FOURTH DEFENSE

The claims are barred because Daspin had no duty to disclose information to investors.

TWENTY-FIFTH DEFENSE

The claims are barred because Daspin acted in good faith and did not, directly or indirectly, induce the acts constituting the alleged violations.

TWENTY-SIXTH DEFENSE

The claims are barred because Daspin reasonably relied upon the advice of legal counsel, other professionals, and/or decisions or opinions issued by tribunals with respect to the contracts,

documents and transactions that are the subject of the OIP.

TWENTY-SEVENTH DEFENSE

The relief that the SEC seeks is not supported by the nature and scope of the alleged violations such that, even if true, they did not cause harm to any investor.

TWENTY-EIGHTH DEFENSE

The OIP fails to allege facts and fails to make a showing sufficient to support any granting of disgorgement against Daspin. There is no evidence that Daspin wrongfully obtained profits or avoided losses by reason of the alleged violations. Further, there is no evidence that investors suffered any losses as a result of the conduct alleged in the OIP.

TWENTY-NINTH DEFENSE

Daspin did not take any action that he knew, or reasonably should have known, would have resulted in any violation of the securities laws.

THIRTIETH DEFENSE

The OIP fails to allege facts, and fails to make a showing sufficient to support, any granting of injunctive relief. There is no threat of future violation of any of the securities laws by Daspin.

THIRTY-FIRST DEFENSE

Daspin did not, directly or indirectly, induce any act or acts constituting the wrongful conduct alleged.

THIRTY-SECOND DEFENSE

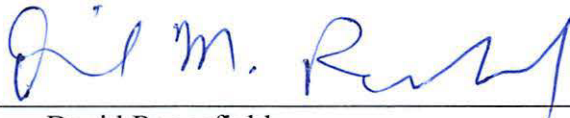
Daspin's conduct at all times complied with applicable federal law, statutes and regulations.

THIRTY-THIRD DEFENSE

Daspin hereby adopts and incorporates by reference any and all other affirmative defenses to be asserted by any other Respondent in this action to the extent that he may share in such affirmative defenses.

Dated: New York, New York
June 3, 2015

HERRICK, FEINSTEIN LLP

By: 

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