

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING  
File No. 3-17990

In the Matter of  
  
Digital Brand Media & Marketing Group,  
Inc., *et al.*,  
  
Respondents.

**DIVISION OF ENFORCEMENT'S BRIEF  
IN RESPONSE TO DIGITAL BRAND'S SUBMISSION**

The Division of Enforcement (“Division”), by counsel, pursuant to the Court’s Order of April 23, 2018, respectfully submits its Brief in Response to Respondent Digital Brand Media and Marketing Group, Inc.’s (“Digital Brand”) June 1, 2018 Submission.

**I. Argument**

- A. The Division of Corporation Finance has found Digital Brand’s “Super 10-K” for fiscal years 2015 through 2017 to be materially deficient, thus making Digital Brand still delinquent in its periodic reports.**

The Division of Corporation Finance reviewed Digital Brand’s “Super 10-K” for its fiscal years 2015 through 2017, and found the report materially deficient in that the report failed to provide any of the necessary quarterly information. The Super 10-K was reviewed by Robert Shapiro, Senior Staff Accountant for the Division of Corporation Finance, and he found it to be materially deficient because the financial statements included in the Super 10-K are not complete as they do not include the required quarterly

interim financial statements or disclose comparable financial information for each of the most recent two fiscal years as required by Article 10 of Regulation S-X. In addition, the following disclosures in the Super 10-K require amending: Management's Discussion and Analysis of Financial and Results of Operation ("MD&A") does not contain a balanced discussion of the company's industry position and give undue prominence to industry metrics for digital advertising and larger public companies that use digital advertising with no clear correlation to the company's business. Such information is more heavily weighted than the discussion of the company's results of operations, financial conditions, and its trends, risks, and uncertainties in MD&A in the Super 10-K pursuant to Item 303 of Regulation S-K. Also, the Item 9(A) "Controls and Procedures" disclosures in the Super 10-K are not compliant with Item 308 of Regulation S-K because they do not disclose the conclusions of Digital Brand's principal executive and principal financial officer, or persons performing similar functions, regarding the effectiveness of the company's internal controls over financial reporting. Declaration of Robert Shapiro.

**B. Digital Brand directors and officers continue to demonstrate the company's high degree of culpability for its delinquent filings violations by their continuing failure to file Forms 3.**

The Super 10-K filed by Digital Brand lists Linda Perry and Neil Gray as officers and directors since April 1, 2010, and Reggie James as an officer and director since April 1, 2011, and all of them as stockholders in the company, but according to EDGAR, none of them has yet to file a Form 3 as required by Exchange Act Section 16, which was raised by the Division at the hearing in this case and in its September 29, 2017 Post-

Hearing Brief at 17-21. Moreover, the Super 10-K fails to report this non-compliance under Item 10 of Form 10-K, as required by Regulation S-K, Item 405.<sup>1</sup>

**C. It is too late for Digital Brand to catch up on its delinquent filings and become current.**

Digital Brand again fails to explain how it can overcome the Commission's decision in *Absolute Potential, Inc.*, Exchange Act Rel. No. 71866, 2014 WL 1338256, at \*3-\*8 (April 4, 2014), which found, among other things, that "even where the delinquent issuer became current in its periodic reports during summary disposition briefing, the public interest still required revocation of its securities registration as a deterrent to other issuers that might become delinquent." *Digital Brand*, Initial Decision Rel. No. 1226 at 12 (Nov. 16, 2017).

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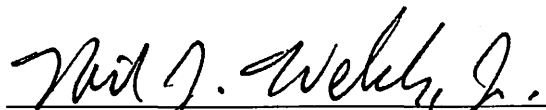
<sup>1</sup>Digital Brand's Super 10-K, at p. 10, also failed to comply with the Commission's Regulation S-K, Item 103, because it failed to list this pending administrative proceeding as a legal proceeding to which it is a party.

**II. Conclusion**

For the reasons set forth above, and in its initial and final Post-Hearing Briefs, the Division respectfully requests that the Administrative Law Judge ratify and affirm the Initial Decision issued on November 16, 2017, revoking the registration of each class of Digital Brand's securities registered under Exchange Act Section 12.

Dated: June 15, 2018

Respectfully submitted,



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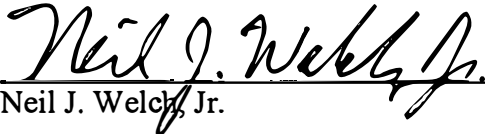
CERTIFICATE OF SERVICE

I hereby certify that true copies of the Division of Enforcement's Brief in Response to Digital Brand's Submission, and the Declaration of Robert Shapiro, were served on the following on this 15th day of June, 2018, in the manner indicated below:

By Email:

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