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**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE,
OFFICE OF THE MONTANA STATE AUDITOR**

IN THE MATTER OF

PALUMBO JOHNSON, OPTIMISM
SERVICES, DINE EXEL SYSTEMS LLC,
NEWLEEZE LLC

Respondents.

Case No. SEC-2026-00123

**NOTICE OF PROPOSED AGENCY
ACTION AND OPPORTUNITY FOR
HEARING**

TO: PALUMBO JOHNSON
OPTIMISM SERVICES
DINE EXEL SYSTEMS LLC
NEWLEEZE LLC
OPTIMISMSERVICESWEB.DE@GMAIL.COM

The Commissioner of Securities and Insurance, Office of the Montana State Auditor (“Commissioner” or “CSI”), has cause to believe that Respondents Palumbo Johnson, Optimism Services, Dine Excel Systems LLC, and Newleeze LLC (“Respondents”) have violated the Securities Act of Montana. Mont. Code Ann. §§ 30-10-101 to 30-10-342. The Commissioner proposes to levy a fine of \$20,000.00 against each Respondent and to order that Respondents make full restitution to the Montana victim, L.M. The Commissioner has the authority to undertake this action pursuant to the Securities Act of Montana. *Id.*

Failure to timely respond to this notice will result in entry of a Default Order, and the Proposed Agency Action below will be deemed a Final Agency Action on the facts and law set out below. If Respondents choose to contest the Proposed Agency Action, an administrative hearing must be demanded. **The demand must be made in writing and received by the Commissioner within 24 days of the date this notice**, as described in the Statement of Rights below.

FACTUAL ALLEGATIONS

There is reasonable cause to believe the following facts justify and support administrative action against Respondent.

1. On June 18, 2025, CSI received a report from an investment advisor explaining that a 77-year-old client residing in Helena, Montana, L.M., had been defrauded out of approximately \$200,000. This matter was investigated by CSI Investigator Ryan Sullivan.

2. In late 2024, L.M. became involved in a “romance fraud” initiated through email by Palumbo Johnson (“Johnson”).

3. Johnson claimed to be a U.S. military service member stationed overseas, first asserting to be in Germany and then in the Middle East.

4. Johnson repeatedly solicited L.M.’s financial assistance to pay delivery and storage fees for a box of valuables. Johnson told L.M. the box was being held by the shipping company “Optimism Services” and contained his life savings, medals of honor, and other valuable property. Johnson needed the box to be returned to the United States, and the requested funds would be used to deliver the box to L.M., whom Johnson had named as his designated beneficiary.

5. Under Johnson’s direction, and the instructions provided by Optimism Services, L.M. liquidated \$106,723.98 worth of securities. L.M. then purchased multiple cashier’s checks, sent them via FedEx overnight to business entities and individuals in Texas, including Dine Excel Systems, Newleeze, and Sylvester Ezeani.

6. According to L.M., Optimism Services repeatedly assured her that she would receive the “treasure box” or “trust box” belonging to Johnson, but because Johnson was in

arrears on storage fees, Optimism Services required L.M. to send additional escalating payments to Dine Excel Systems LLC and Newleeze LLC.

7. Optimism Services' communications were signed by Liam Sylvester using the address optimismservicesweb.de@gmail.com. These messages provided instructions to obtain and send the cashier's checks, including the amounts, the payees, and the FedEx overnight delivery specifications.

8. Dine Excel Systems LLC is the named payee on checks purchased by L.M., in the amounts of \$8,630, \$35,500, and \$56,650, which were mailed to "Sylvester Ezeani" at 9100 Southwest Freeway, Suite 232, Houston, Texas 77074.

9. Newleeze LLC is the named payee on a cashier's check for \$99,980.

ASSERTIONS OF LAW

1. The Commissioner has jurisdiction over this matter pursuant to the Securities Act of Montana. Mont. Code Ann. §§ 30-10-101 to 30-10-342.

2. The Commissioner enforces the Securities Act of Montana. *Id.*

3. The Commissioner is entrusted to protect investors, persons engaged in securities transactions, and the public interest. *Id.* § 30-10-102.

4. It is unlawful for any person, in connection with the offer, sale, or purchase of any security, whether directly or indirectly, to employ any device, scheme, or artifice to defraud, make any untrue statement of material fact, (or omit a material fact necessary to prevent any other statements from being misleading), or engage in any act, practice, or course of business that operates or would operate as a fraud or deceit on any person. *Id.* § 30-10-301(2).

5. For purposes of any action brought by the commissioner under the Securities Act of Montana, "any person that knowingly provides substantial assistance to another person in violation of a provision of this part or of any rule or regulation issued under this part must be considered to be in violation of that provision to the same extent as the person to whom the assistance is provided." *Id.* § 30-10-321.

6. The Commissioner may impose a fine not to exceed \$5,000 per violation on a person found to have engaged in any act or practice violating the Securities Act, a rule, or an order of the Commissioner. *Id.* § 30-10-305(3)(a).

7. The Commissioner may impose a fine not to exceed \$20,000 per violation on a person found to have engaged in any act or practice violating the Securities Act, and the act or practice affected a vulnerable person. Mont. Code Ann. § 30-10-305(3)(b).

8. After conducting a hearing under § 33-1-701, the Commissioner may also impose an order of restitution on any person found to have violated § 30-10-301, with ten percent annual interest from the date of violation, reasonable attorney's fees, and costs associated with bringing the administrative action. Mont. Code Ann. § 30-10-309 (1).

9. Respondent Johnson pursued a friendship and romantic relationship with L.M. that was used to motivate her to liquidate \$106,723 worth of securities under fraudulent pretenses. By engaging in this conduct in connection with the offer and sale of a security, which operated as fraud and deceit upon L.M., Respondent Johnson violated Mont. Code. Ann. § 30-10-301(1)(c).

10. L.M., who is at least sixty years of age, qualifies as a vulnerable person for the purpose of enhancing the fines imposed upon Respondents. *Id.* § 30-10-103(27)(a). Johnson's violation of the Securities Act harmed L.M., a vulnerable person, and the Commissioner may impose a fine of up to \$20,000 per violation. *Id.* § 30-10-305(3)(b).

11. Respondent Optimism Services, or Optimism Services Security Shipments and Co., is the named entity that purportedly held the "trust box" or box of valuables. Optimism Services demanded payment and issued instructions via email to obtain the funds from L.M.'s securities. Optimism Services participated in the fraud scheme by giving L.M. false assurances and corroborating Johnson's statements, thereby aiding in the deceit that resulted in the sale of L.M.'s securities. *Id.* § 30-10-301(1)(a), (c).

12. Respondents Dine Excel Systems LLC and Newleeze LLC, with the mailing address attention to "Sylvester Ezeani," were the named payees of at least four cashier's checks totaling \$200,760 that were purchased with the liquidated securities and are, therefore, necessary parts of the "device" or "artifice" used to defraud L.M. *Id.*

13. Respondents' fraudulent scheme resulted in personal financial loss to L.M. and is grounds for the Commissioner to require Respondents to make restitution for all losses sustained as a result of Respondents' actions.

PROPOSED AGENCY ACTION

The Commissioner, in his discretion and after considering the gravity, number, and scope of the offenses, the financial loss involved, and the protection of the health, safety, and welfare of the public, proposes to order the following:

1. An order finding and declaring that Respondent has violated Mont. Code Ann. § 30-10-301.
2. Pursuant to Mont. Code Ann. § 30-10-305(3)(a), an order of a fine of \$20,000 against each Respondent, together with interest at the statutory rate from the date of the Commissioner's final order, for violating Mont. Code Ann. § 30-10-201(3). Such fine shall be subordinate to the restitution in the event Respondent is unable to pay the full amount of the fines and restitution.
3. Pursuant to Mont. Code Ann. § 30-10-309, an order requiring Respondents to pay restitution for the total losses to L.M. in the amount of \$200,760.

STATEMENT OF RIGHTS

Respondent is entitled to contest the Commissioner's proposed action by requesting a hearing; this is called an administrative or "contested case" hearing. Mont. Code Ann. § 2-4-102(4). To do so, **within 24 days of the date this Notice**, Respondent must submit a **written hearing request** to CSI at 840 Helena Avenue, Helena, MT 59601 or CSI.LegalService@mt.gov. A hearing request may, but does not have to, include a response to the allegations set forth above.

If a hearing is requested, the Commissioner may appoint an impartial hearing examiner to conduct the proceedings under the provisions of the Montana Administrative Procedure Act. Mont. Code Ann. §§ 2-4-611, 33-1-701; Mont. Admin. R. § 1.3.218. Formal proceedings may be waived pursuant to Mont. Code Ann. § 2-4-603, in which case the hearing examiner would handle this case under the process for informal proceedings pursuant to Mont. Code Ann. § 2-4-604. Respondents will be provided with notice of the time, place, and nature of the hearing. Respondents will be entitled to participate in the contested case process, respond to and present evidence, and respond to arguments on all issues involved in this action. Mont. Code Ann. §§ 2-4-601 to 2-4-612.

Respondents have the right to retain legal counsel to represent, accompany, and advise them at each stage of this proceeding or may also elect to represent themselves. However, a business entity may not appear on its own behalf or through an agent other than an attorney licensed to practice law. Admin. R. Mont. 1.3.231.

CONTACT WITH COMMISSIONER'S OFFICE

If there are questions or concerns, please contact CSI at 406-444-2040 or CSI.LegalService@mt.gov. If represented by an attorney, please ensure this contact is made by the attorney.

POSSIBILITY OF DEFAULT

Failure to provide a written hearing request in a timely manner shall result in the entry of a default order imposing the Commissioner's proposed action, without additional notice, pursuant to Admin. R. Mont. 1.3.214.

DATED this this 22d day of June 2026.

/s/ Jack Connors

Jack Connors

Counsel for Commissioner of Securities & Insurance

CERTIFICATE OF SERVICE

I hereby certify that on June 22, 2026, I caused a copy of the foregoing, *Notice of Proposed Agency Action and Opportunity for Hearing*, to be served on the following persons by the following means:

TO: PALUMBO JOHNSON
OPTIMISM SERVICES
DINE EXEL SYSTEMS LLC
NEWLEEZE LLC
OPTIMISMSERVICESWEB.DE@GMAIL.COM

/s/ Jennifer Jean Andren Whalen
Paralegal