

State of Missouri  
Office of Secretary of State

Case No. AP-08-33

IN THE MATTER OF:

MARK VIII HOLDINGS, LLC A/K/A  
MARK VIII HOLDING COMPANY A/K/A  
MARK VIII, LLC;  
INTERNATIONAL MARK VIII, LLC;  
GARY DOSS; and  
MICHAEL D. ADAMOVICH,

Respondents

**CONSENT ORDER**

On December 11, 2008, the Enforcement Section of the Securities Division of the Office of Secretary of State, through its Assistant Commissioner of Securities Mary S. Hosmer, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Civil Penalties and Costs Should Not Be Imposed. After reviewing the petition, the Commissioner issued an Order to Cease and Desist with findings of fact and conclusions of law. Respondent Michael D. Adamovich and the Securities Division desire to settle the allegations and the matters raised by the Securities Division. As used herein, the term Respondent" refers to Michael D. Adamovich.

Respondent and the Securities Division desire to settle the allegations and the matters raised by the Securities Division relating to Respondent's alleged activities.

**I. CONSENT TO JURISDICTION**

1. The Securities Act of 2003 shall be administered by the Commissioner of Securities (the "Commissioner"). Section 409.6-601(a), RSMo. (Cum. Supp. 2008).
2. The Commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under the Act. Section 409.6-604(h), RSMo. (Cum. Supp. 2008)
3. Respondent and the Securities Division stipulate and agree that the Commissioner has jurisdiction over the Respondent and these matters pursuant to the Missouri Securities Act, Chapter 409, et seq.
4. Respondent and the Securities Division stipulate and agree that the Commissioner has authority to enter this Consent Order pursuant to Section 409.6-604(h), RSMo. (Cum. Supp. 2008), which provides:

"The Commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act."

**II. WAIVER AND EXCEPTION**

5. Respondent waives his rights to a hearing with respect to this matter.
6. Respondent waives any rights that he may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent specifically forever releases and holds harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner of Securities and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondent and the Securities Division stipulate and agree that, this Consent Order shall constitute full and final settlement and disposition of the claim(s) of the Missouri Office of Secretary of State, Secretary of State, Commissioner of Securities and their respective representatives and agents in the above referenced matter. The Missouri Securities Division reserves the right to pursue any and all legal or administrative remedies which are unrelated to the matters raised in the above referenced matter.

**III. CONSENT TO COMMISSIONER'S ORDER**

8. Respondent and the Securities Division stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondent neither admits nor denies the Commissioner's Findings of Fact and Conclusions of Law as set forth below, but consents to the entry of this Order solely for the purposes of this proceeding and any other proceeding that may be brought to enforce the terms of this Consent Order. Both parties hereto stipulate and agree that this Consent Order shall not be enforceable by any person or entity not a party hereto. Further, nothing contained in this Consent Order may be taken as an admission of any fact or admissible in any legal action by any person or entity which is not a party hereto.

**IV. COMMISSIONER'S FINDINGS OF FACT  
AND CONCLUSIONS OF LAW AND ORDER**

**A. FINDINGS OF FACT**

10. Mark VIII, LLC ("Mark VIII") is a Missouri limited liability company organized on March 20, 2003. Mark VIII was organized for the purposes of consulting, investing, transportation, insurance, telcom, general business services, real estate.
11. Gary Robert Doss ("Doss") was an organizer of Mark VIII and was acting CEO and CFO of the Company.
12. Michael D. Adamovich ("Adamovich") was an organizer of Mark VIII. Adamovich was not an authorized signer on any Mark VIII bank account.
13. From at least June 2003 through June 2007, a Missouri resident ("MR"), worked for Mark VIII as an independent contractor, marketing and managing the provision of consulting services to businesses, primarily related to Quality Management Systems that purchased the consulting services from Mark VIII.
14. In 2003, Doss told MR, among other things, that:
  - a. Doss invested money for some of the employees at Mark VIII;
  - b. the funds he had invested had been doubling approximately every six months; and
  - c. in the worst case he would double investors' money every twelve months
15. MR understood that these investments were to be placed in an investment account through Mark VIII.
16. From June 10, 2003, to January 26, 2006, MR invested sixty-nine thousand, two hundred and twenty-five dollars (\$69,225) with Doss.
17. MR stated, among other things, that prior to her investments with Doss and Mark III, MR:
  - a. did not receive any background information regarding Doss or Mark VIII;
  - b. did not receive any financial information regarding Doss or Mark VIII;
  - c. did not receive records or information regarding the specific investments Doss was to make on her behalf; and
  - d. was not informed by Doss that there was a penalty to withdraw her funds from the investment account.
18. Subsequent to MR's investments with Doss, MR stated, among other things, that MR:
  - a. was not contacted by Doss prior to any investment made in the Brokerage Account;
  - b. did not receive any trade confirmations concerning the investment account; and
  - c. did not receive monthly statements evidencing the returns generated by the funds she invested with Doss.
19. MR received an undated statement on Mark VIII letterhead, titled, Mark VIII Brokerage Account Statement, showing that MR's money was invested in "cash equivalent." The statement references "Cash and Money Market Funds Available 8/23/04 \$18,800.00." Respondent has alleged that this is the last statement given to MR in Mark VIII's name and that, after this statement, all communications from Doss were without reference to Mark VIII.
20. On or about December 28, 2004, Doss sent MR an email which stated, in part, the following:

". . . our investments group that you are a part of is [sic] setting a play in Jan for contracts, but we buy in \$30,000 blocks. 6 month [sic] is a good stock play. There are good mid cap stocks that will do well in the next 6 months, China is out building [sic] the USA right now and companies that have contracts with China will do well in 6 month [sic]. I will get you a list of stock plays. You can add this to our group and take it out in 6 months . . . ."
21. In the summer of 2005, MR requested from Doss to make a withdrawal of ten thousand dollars (\$10,000) of the money she had invested.
22. On or about July 11, 2005, Doss issued a check to MR from the Mark VIII business account in the amount of ten thousand dollars (\$10,000).
23. MR received this check in July 2005. The memo section of this July 11, 2005, check stated: "Investment Removal/[MR] Account/Code 21.

24. Sometime prior to June 4, 2007, MR asked Doss for a withdrawal of all of MR's funds from the Brokerage Account.
25. On or about June 4, 2007, Doss sent MR an email stating, in part, the following:

“. . . I run 6 9 12 [sic] months [sic] futures. We leverage the index at the high and lows for maximum returns. You would not want to take any money out any soon. [sic] It would be to [sic] costly. But if need money, [sic] you need money . . . .”
26. In June 2007, MR did not receive the return of her funds but received information from Doss concerning the Doss brokerage account, to wit:
  - a. MR's investment balance was eighty-nine thousand, five hundred and sixty-seven dollars and sixty-three cents (\$89,567.63);
  - b. if the funds from this investment were converted to cash prior to December 31, 2007, the balance would be forty-seven thousand, six hundred and seventy-eight dollars and forty-nine cents (\$47,678.49); and
  - c. MR's investment contained:
    - i. 1.8% Money Market Funds;
    - ii. 11.6% Equities / Options;
    - iii. 33.5% Mutual Funds;
    - iv. 44.4% Fixed Income Securities;
    - v. 5.6% Insurance Annuities; and
    - vi. 2.5% REITs/Tangibles;
  - d. Respondent has alleged that this information was not a Mark VIII company statement, but a Doss personal brokerage account statement;
27. In August 2007, MR again contacted Doss and stated that MR wanted to withdraw her funds from the Doss brokerage account.
28. In August 2007, Doss advised MR that if she moved her funds from the investment account that Doss would return “just what [MR] had put in. You will not have any loss's [sic] or gains. The risk of loss is still with me till Jan 2008 . . . .”
29. As of December 2008, MR has not received the return of her funds.
30. In May and June 2008, an investigator with the Division obtained bank records for the following bank accounts:
  - a. the Mark VIII account at the First Bank of Missouri in Smithville, Missouri; This account was registered through social security number xxx-xx-4369, and not the Federal Tax I.D. number of Mark VIII, LLC.
  - b. the International Mark VIII account at Citizens Bank & Trust in Chillicothe, Missouri 64601; and
  - c. the Doss personal bank account at Community America Credit Union in Kansas City, Missouri 64153.
31. Doss was the signatory on all of these bank accounts (the “Doss Bank Accounts”). Adamovich was not a signatory on any of the Doss Bank Accounts.
32. A review of the Doss Bank Accounts revealed that Doss cashed three (3) of MR's investment checks totaling ten thousand, five hundred dollars (\$10,500) and that Doss deposited fifty-eight thousand, seven hundred twenty-five dollars (\$58,725) into the business accounts for Mark VIII and International Mark VIII. These funds were used by Doss for business and personal expenses.
33. A check of the records maintained by the Missouri Commissioner of Securities confirmed that:
  - a. Doss was not registered as a securities agent in Missouri; and
  - b. Mark VIII, LLC, Mark VIII fictitious registration by Doss, and International Mark VIII were not registered as broker-dealers in Missouri;
34. Respondent Adamovich has alleged the following as facts:
  - a. Mark VIII was in the business of developing software and quality management systems for manufacturing companies and healthcare delivery organizations. Mark VIII had an address of P.O. Box 640, Smithville, Missouri 64089, but

was physically located at 4424 Lowman Road, Smithville, Missouri 64089-8562. The Federal Tax ID number for Mark VIII was xx-xxx2979;

- b. On June 12, 2003, Doss registered the Fictitious Name of "Mark VIII" (file number 200316320019), in which Doss was the 100% owner of the name. Adamovich was not listed or associated with this Fictitious registration;
- c. International Mark VIII, LLC was organized on December 21, 2004 (Charter LC0628544). Adamovich did not organize International Mark VIII, was not employed in any executive role in International Mark VIII and had no ownership in International Mark VIII nor any partnership agreement, employment agreement nor any other contractual relationship with the company;
- d. In addition to having an Agency Agreement with Mark VIII, MR held the title of Executive Vice President/Chief Consulting Officer with Mark VIII;
- e. On November 12, 2003, Doss and MR organized the Missouri limited liability company Mark VIII Southeast, LLC (Charter # LC0551493), for the purposes of "Sales, Marketing, . . . , investments." Adamovich was not an organizer of Mark VIII Southeast, was not employed in any executive role in Mark VIII Southeast and had no ownership in Mark VIII Southeast, nor any partnership agreement, employment agreement, nor any other personal contractual relationship with the company.
- f. Adamovich's employment with Mark VIII, LLC was terminated on February 25, 2008 and he received no notice of inquiry from the Division nor any copy of the inquiry from Doss;
- g. On or about July 1, 2008, Adamovich spoke with MR by phone and became aware there were inquiries being made by the Division. Adamovich requested that MR provide Adamovich with the Division contact person. To date, Adamovich has received no reply from MR, although MR agreed to provide this information; and
- h. On or about August 21, 2008, Doss received a Demand Letter from Adamovich's attorney, demanding to receive copies of financial information, including but not limited to items that would have pertained to Doss's investment of MR's funds. Adamovich did not receive any of this information from Doss.

## **B. CONCLUSIONS OF LAW**

The acts described in the Findings of Facts constitute violations of Sections 409.3-301, 409.4-401, 409.4-402, and 409.5-501, RSMo. (Cum. Supp. 2008).

The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and the Securities Division, finds and concludes that the Commissioner has jurisdiction over the Respondent and this matter and that the following Order is within the purposes intended by this act. See Section 409.6-605(b), RSMo. (Cum. Supp. 2008).

## **C. ORDER**

**NOW, THEREFORE**, it is hereby stipulated, agreed and ordered that:

1. Respondent shall not:

A. violate or materially aid in any violation of 409.3-301, RSMo. (Cum. Supp. 2008), by offering or selling any securities as defined by Section 409.1-102(28), RSMo. (Cum. Supp. 2008), in the State of Missouri unless those securities are registered with the Division of the Office of the Secretary of State in accordance with the provisions of Section 409.3-304;

B. violate or materially aid in any violation of 409.4-401, RSMo. (Cum. Supp. 2008), by transacting business in this state as a broker dealer without being registered as a broker dealer in this state under the Missouri Securities Act of 2003 or being exempt from registration as a broker dealer; and

C. violate or materially aid in any violation of 409.4-402, RSMo. (Cum. Supp. 2008), by transacting business in this state as an agent without being registered as an agent in this state under the Missouri Securities Act of 2003 or being exempt from registration as an agent; and

D. violate or materially aid in any violation of Section 409.5-501, RSMo. (Cum. Supp. 2008), by, or in connection with the offer or sale of securities: make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading, or engaging in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

2. Respondent shall pay his own costs and attorneys fees with respect to this matter.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 22<sup>nd</sup> DAY OF DECEMBER, 2009.

ROBIN CARNAHAN  
SECRETARY OF STATE

(Signed/Sealed)  
MATTHEW D. KITZI  
COMMISSIONER OF SECURITIES

Consented to by:

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Mary S. Hosmer  
Assistant Commissioner of Securities  
Missouri Securities Division

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Michael D. Adamovich

Approved as to form:

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James A. Kessinger, Counsel for Adamovich