

STATE OF MISSOURI OFFICE OF SECRETARY OF STATE

IN TH	E MATTER OF:)
DSM I MADA KENN PATR	EL STEPHEN MADASZ, SR.; ENTERPRISES, LLC; ASZ CONSULTING, INC.; JOHN MYERS; ETH MARG; HENRIK R. JENSEN; ICK S. KUCERA; SKYTEC SECURITY ATIONS, LLC; and SKYTEC ROOFING,	Case No. AP-19-21))))))
	Respondents.)
Serve:	Daniel Stephen Madasz, Sr. 11906 E. 203 rd St. Raymore, MO 64083-8457)))
	and)
	DSM Enterprises, LLC 11906 E. 203 rd St. Raymore, MO 64083-8457)))
	and)
	Madasz Consulting, Inc. 7092 W. 105 th St. Overland Park, KS 66212))))
	and)
	John Myers 6341 East Sunnyside Drive Scottsdale, AZ 85254)))
	and)
	Kenneth Marg 8408 East Welsh Trail Scottsdale, AZ 85254)))

and)
Henrik R.Jensen 809 S.W. Winterpark Blvd. Lee's Summit, MO 64081)))
and)
Patrick S. Kucera 10313 Granada Street Overland Park, KS 66207))))
and)
Skytec Security Operations, LLC 809 S.W. Winterpark Blvd. Lee's Summit, MO 64081))))
and)
Skytec Roofing, LLC 8502 E. Via De Ventura, #240 Scottsdale, AZ 85258)

ORDER TO CEASE AND DESIST AND ORDER TO SHOW CAUSE WHY RESTITUTION, CIVIL PENALTIES, AND COSTS SHOULD NOT BE IMPOSED

On December 16, 2019, the Enforcement Section of the Missouri Securities Division of the Office of Secretary of State ("the Enforcement Section"), through Director of Enforcement Steven C. Reed, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed ("the Petition"). After reviewing the Petition, the Missouri Commissioner of Securities ("the Commissioner") issues the following order:

I. <u>ALLEGATIONS OF FACT</u>

The Petition alleges the following facts:

A. <u>Introduction</u>

In mid-2013, Daniel Stephen Madasz, Sr. ("Madasz"), DSM Enterprises, LLC, and Madasz Consulting, Inc., entered into a consulting agreement with a Missouri resident and convinced the resident to invest with Respondents. The Respondents collectively induced the Missouri investor to invest \$200,000 in a company called Skytec Security Operations, LLC, by promising an annual

12% return. The investor did not receive a return. In March, 2016, Madasz and his associated companies entered into another consulting agreement with two Kansas residents. Madasz solicited \$147,500 of investments in the form of promissory notes with the promise of increasing their assets in "solid investment vehicles." Madasz convinced the investors they would receive a minimum of 1% per month return on their investments. Madasz placed the funds in a high risk foreign currency trading program, and after significant losses, Madasz invested what was left with Skytec Roofing, LLC. To date, the only return paid is \$2,400.

B. Respondents and Related Parties

- 1. Madasz is a licensed insurance producer in Missouri with license number 0236143. He was a Missouri registered broker-dealer agent from July 1999 to March 2006 and again from May 2006 to March 2007 with CRD number 1035237. His last known address is 11906 East 203rd Street, Raymore, Missouri 64083.
- 2. DSM Enterprises, LLC ("DSM"), is a limited liability company organized in Missouri on August 5, 2015. Its registered agent and sole member is Madasz. Its last known address is 11906 East 203rd Street, Raymore, Missouri 64083.
- 3. Madasz Consulting, Inc. ("Madasz Consulting"), was a Missouri for-profit corporation formed on November 3, 2011 and whose President and registered agent was Madasz. It was administratively dissolved on June 13, 2013.
- 4. John Myers ("Myers") is a resident of Arizona and a manager and member of Skytec Roofing, LLC, a company organized under Arizona law. Myers' last known address is 6341 E. Sunnyside Drive, Scottsdale, Arizona 85254.
- 5. Kenneth Marg ("Marg") is a resident of Arizona and a manager and member of Skytec Roofing, LLC. Marg's last known address is 8408 E. Welsh Trail, Scottsdale, Arizona 85254.
- 6. Henrik R. Jensen ("Jensen") is a resident of Missouri with a last known address of 809 S.W. Winterpark Boulevard, Lee's Summit, Missouri 64081. Jensen was an owner and member of SkyTec Security Operations, LLC, purportedly a regional affiliate of SkyTec Corporate, LLC.
- 7. Patrick S. Kucera ("Kucera") is a resident of Kansas with a last known address of 10313 Granada Street, Overland Park, Kansas 66207. Kucera was an owner and member of SkyTec Security Operations, LLC, purportedly a regional affiliate of SkyTec Corporate, LLC.
- 8. Skytec Security Operations, LLC ("Skytec Security OP"), is a Missouri limited liability company organized on October 3, 2013, by Henrik Jensen. Its registered agent is Henrik Jensen with an address of 809 S.W. Winterpark Blvd, Lee's Summit, MO 64081. Its members are Jensen and Kucera.

- 9. Skytec Roofing, LLC, is an Arizona limited liability company organized on October 15, 2015. Its members and managers are Ken Marg and John Myers with Marg as the registered agent.
- 10. A check of the Central Registration Depository ("CRD") indicates that, at all times relevant, there was no registration, granted exemption, or notice filing indicating status as a "federal covered security" for any securities issued by any Respondent named herein.
- 11. A check of the records maintained by the Commissioner indicates that, at all times relevant, Respondents were not registered as a broker-dealer, broker-dealer agent, investment adviser, investment adviser representative, and/or issuer agent.

Enforcement Section's Investigation: Investments by Missouri Resident 1 ("MR1")

- 12. In mid-2013, a then 64 year-old Missouri resident ("MR1") met Madasz and entered into a consulting agreement with Madasz providing that Madasz would provide investment advice to MR1.
- 13. Madasz introduced MR1 to Kucera and Jensen, the owners of Skytec Security OP, in the fall of 2013. Skytec Security OP was supposedly in the business of installing security systems in residential and commercial buildings. Kucera and Jensen convinced MR1 to invest \$200,000 and in return was issued two promissory notes on or about October 10 and 13, 2013: one for \$185,000 and one for \$15,000, which promised a 12% annual return. The promissory notes were signed by Kucera and Jensen on behalf of Skytec Security OP, as "borrowers", and signed by Myers and Marg as "guarantors" for a different company: Skytec Security Texas, LLC.
- 14. Madasz received a \$20,000 commission from the loan proceeds as a finder's fee.
- 15. In an interview, MR1 indicates that Myers and Marg took \$100,000 of the \$200,000 investment and deposited same into their personal accounts. Bank records from Skytec Security OP's Bank of America account ending in #1518, show that \$200,000 was deposited from MR1 and that \$100,000 was transferred from account ending in #1518, by wire, to a Skyline Security Services, LLC account ending in #3617 at Wells Fargo Bank on October 16, 2013. Skyline Security Services, LLC, is a Delaware limited liability company the members of which are Myers and Marg. From the Wells Fargo account the following entries were noted:
 - a. a check to Ken Marg in the amount of \$15,000 on October 16, 2013;
 - b. a wire transfer to Jodi Myers, believed to be the spouse of John Myers, in the amount of \$20,000 on October 16, 2013;
 - c. Citi Card online payment of \$6,909.01 for Ken Marg on October 17, 2013;

- d. Discover payment of \$4,549.12 for Ken Marg on October 18, 2013;
- e. Citi Card online payment of \$1,514.53 for Ken Marg on October 23, 2013;
- f. Citi Card online payment of \$6,000 for Ken Marg on October 23, 2013;
- g. Citi Card online payment of \$3,171.11 for Ken Marg on October 30, 2013; and
- h. a negative balance of \$323.41 on December 31, 2013.
- 16. The Bank of America records for account #1518, Skytec Security OP, show additional transfers immediately following the \$200,000 deposit from MR1:
 - a. on October 17, 2013, a customer withdrawal of \$20,000 signed by Jensen was made with the notation "Daniel Madasz Loan";
 - b. on October 18, 2013, a Bank of America intrabank transfer was made to account ending in #3358 in the amount of \$20,000. This may be a transfer to Jensen according to notes of an interview with Kucera. Kucera stated \$25,000 of MR1's money went into his account for "expenses";
 - c. on October 18, 2013, a Bank of America intrabank transfer was made to account ending in #1587 in the amount of \$30,000. Jensen stated this was a transfer to Kucera for "operational expenses" of another Skytec entity;
 - d. on October 29, 2013, a cash withdrawal of \$1,000 by Jensen;
 - e. Jensen stated that neither he, Kucera, nor Madasz disclosed to MR1 that part of the investment would be kept by Kucera or himself; and
 - f. an investigation by the Enforcement Section into these records is ongoing.
- 17. MR1 obtained the \$200,000 by saving money intended to pay off her home mortgage, but instead invested with Respondents Madasz, DSM, Madasz Consulting, Jensen, Kucera, Myers, Marg, and their company Skytec Security OP. MR1 did not receive the promised return or repayment of the investment. Madasz, Myers, Marg, Jensen, and Kucera would not return calls or provide information regarding the company or the status of her investment.

Investments by Kansas Residents 1 and 2 ("KR1") and ("KR2")

18. A 55 year-old Overland Park, Kansas resident ("KR1") engaged Madasz via a consulting agreement to provide investment advice.

- 19. KR1 provided Madasz the sum of \$107,500 and Madasz committed to manage the assets from KR1's Roth IRA account and pay interest monthly on the principal.
- 20. Madasz promised a 12% annual return by executing a promissory note in the amount of \$107,500 on March 14, 2016. The promissory note provided interest would be paid monthly at 1%.
- 21. The promissory note is executed by Madasz (as the sole member of DSM Enterprises, LLC) and KR1.
- 22. To the present date, no payments have been made to KR1.
- 23. KR2 is an irrevocable trust administered by KR1 on behalf of KR2.
- 24. Madasz offered to manage the assets from KR2 and pay interest at 1% per month.
- 25. The assets of KR2, from a money market account in the amount of \$40,000, were transferred to DSM Enterprises, LLC, by check dated March 14, 2016.
- 26. On March 16, 2016, Madasz executed a promissory note in the amount of \$40,000 with KR2 and promised to pay KR2 1% per month.
- 27. The bank records of DSM from Bank of America, account ending in #6532, show deposits of \$40,000 on March 14, 2016, and \$107,500 on March 17, 2016.
- 28. On March 17, 2016, the bank records show a transfer of \$107,500 from account ending in #6532, to a Bank of America account ending in #4791, owned by Daniel and Deborah Madasz. Over the next few days, an additional \$39,990 was transferred to Madasz's personal account.
- 29. Based on statements made by Madasz, the \$147,500 invested by KR1 and KR2 was initially invested with Forex Capital Markets, LLC, a foreign currency trading company. Madasz's personal account ending in #4791 show transfers to Forex Capital Markets Trading ("FCM") in the amount of \$147,400 on March 21, 2016.
- 30. Madasz stated that after three months, and losses amounting to about \$17,000, the balance of \$130,000 was transferred back to DSM and on to Skytec Security Services of Kansas City, LLC, after KR1 met with Myers.
- 31. Contrary to Madasz's statements, bank records from Madasz' personal account ending in #4791 show deposits in early June 2016 totaling \$130,050 from Daniel Madasz and FCM. On June 16, 2016, \$35,000 from that account was wired to Skytec Roofing, LLC. Another \$70,000 was transferred to the DSM account ending in #6532. From the DSM account another \$50,000 was wired to Skytec Roofing, LLC, the entity owned by Myers and Marg, leaving about \$20,000 in the DSM account.

32. To date only \$2,400 has been paid as a return on KR2's investment. Neither the original investment of \$147,500 nor investment income beyond \$2,400 has been returned to KR1 and KR2.

II. COMMISSIONER'S DETERMINATIONS AND FINDINGS

Multiple Violations of Offering and Selling Unregistered, Non-Exempt Securities

- 33. **THE COMMISSIONER DETERMINES** that Respondents offered and sold unregistered, non-exempt securities in the form of promissory notes to MR1, KR1 and KR2:
 - a. "Sale" and "offer to sell" are defined in Section 409.1-102(26). Respondents solicited individuals to invest in Skytec Security OP and Skytec Roofing and received funds from investors. This activity constitutes the offer and sale of securities;
 - b. "investment contract" is enumerated in the list of items that are securities in Section 409.1-102(28). The investments Respondents offered and sold to investors are investment contracts, in that:
 - i. investors invested funds in a common enterprise with Respondents;
 - ii. investors' funds were to be used by Respondents to fund development of real estate;
 - iii. investors expected a profit from the efforts of Respondents and not from investors' own efforts; and
 - iv. investors' expected profits were interwoven with and dependent upon the efforts of Respondents.
- 34. MR1, KR1 and KR2 invested money with a reasonable expectation of profits based on the managerial efforts of others.²
- 35. MR1, KR1 and KR2 executed promissory notes with the expectation of making a profit and Respondents were supposedly motivated to raise money for general business use.³
- 36. At all times relevant to this matter, there was no registration, granted exemption, or notice filing indicating status as a "federal covered security" for the securities offered and sold by Respondents.

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¹ Unless otherwise noted, all statutory references are to the 2016 Revised Statutes of Missouri.

² See SEC v. Edwards, 540 U.S. 389, 393 (2004); SEC v. W.J. Howey Co., 328 U.S. 293, 301 (1946).

³ See Reves v. Ernst & Young, 494 U.S. 56, 110 S. Ct. 945 (1990).

- 37. Respondents offered and sold securities in the State of Missouri without these securities being (1) a federal covered security, (2) exempt from registration under Sections 409.2-201 or 409.2-203 or (3) registered under the Missouri Securities Act of 2003.
- 38. At the time Respondents engaged in the conduct set forth above, at least one investor was more than 60 years-old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
- 39. Respondents offered and sold unregistered securities in violation of Section 409.3-301 and engaged in an illegal act, practice, or course of business and such conduct is therefore subject to the Commissioner's authority under Section 409.6-604.

Multiple Violations of Transacting Business as an Unregistered Broker-Dealer

- 40. **THE COMMISSIONER FURTHER DETERMINES** that Respondents Skytec Security OP and Skytec Roofing and their agents and employees transacted business as unregistered, non-exempt broker-dealers in the State of Missouri by engaging, or attempting to engage in the business of effecting transactions in securities for the account of others.
- 41. At all times relevant to this matter, Respondents were not registered as broker-dealers either with the Securities and Exchange Commission or with the state of Missouri.
- 42. Respondents transacted business in Missouri without being registered or exempt from registration as broker-dealers in violation of Section 409.4-401(a).
- 43. At the time Respondents engaged in the conduct set forth above, at least one investor was more than 60 years-old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
- 44. Respondent's conduct in violation of Section 409.4-401(a), constitutes an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

Multiple Violations of Employing an Unregistered Agent

- 45. **THE COMMISSIONER FURTHER DETERMINES** that Respondents Madasz, Kucera, Jensen, Myers, and Marg offered and sold securities on multiple occasions to investors;
- 46. These activities constitute transacting business as an agent in the State of Missouri under Section 409.1-102(1).
- 47. At all times relevant to this matter, Respondents Madasz, Kucera, Jensen, Myers, and Marg were not registered as agents in the state of Missouri.

- 48. Skytec Security OP and Skytec Roofing knew, or should have known, that the individuals were not registered to sell securities.
- 49. At the time Respondents engaged in the conduct set forth above, at least one investor was more than 60 years-old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
- 50. Respondents Skytec Security OP and Skytec Roofing employed an unregistered agent to sell securities in Missouri in violation of Section 409.4-402(d) and engaged in an illegal act, practice, or course of business and such conduct is therefore subject to the Commissioner's authority under Section 409.6-604.

Multiple Violations of Transacting Business as an Unregistered Agent

- 51. **THE COMMISSIONER FURTHER DETERMINES** that Respondents Madasz, Kucera, Jensen, Myers and Marg transacted business as unregistered agents in the state of Missouri.
- 52. Respondents offered and/or sold securities to investors in Missouri.
- 53. These activities constitute transacting business as an agent in the State of Missouri under Section 409.1-102(1).
- 54. At all times relevant to this matter, Respondents were not registered as agents in the State of Missouri.
- 55. At the time Respondents engaged in the conduct set forth above, at least one investor was more than 60 years-old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
- Respondents offered and/or sold securities to investors in the State of Missouri without being registered or exempt from registration as an agent in violation of Section 409.4-402(a), and engaged in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

Multiple Violations of Transacting Business as an Unregistered Investment Adviser

57. THE COMMISSIONER FURTHER DETERMINES that Respondents DSM and Madasz Consulting violated Section 409.4-403(a), when Respondents provided investment advice regarding securities held by investors in Missouri and recommended the sale of security assets for the purchase of interests in the Skytec enterprises and promissory, and did receive compensation from the sales. These activities constitute providing investment advice in the course of business in the State of Missouri.

- 58. At all times relevant to this matter, Respondents were not registered or exempt from registration as investment advisers in the State of Missouri.
- 59. At the time Respondents engaged in the conduct set forth above, at least one investor was more than 60 years-old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
- 60. Respondents violated Section 409.4-403(a), and engaged in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

Multiple Violations of Transacting Business as an Unregistered Investment Adviser Representative

- 61. **THE COMMISSIONER FURTHER DETERMINES** that at all times relevant to this matter, Respondents Madasz, Kucera, Jensen, Myers and Marg were not registered or exempt from registration to transact business as an Investment Adviser Representative in the State of Missouri.
- 62. Respondents violated Section 409.4-404(a), when Respondents Madasz, Kucera, Jensen, Myers and Marg, on behalf of Respondents DSM, Madasz Consulting, and the Skytec respondents, made recommendations or otherwise gave investment advice regarding securities to investors in the State of Missouri without being registered or exempt from registration as a representative.
- 63. At the time Respondents engaged in the conduct set forth above, at least one investor was more than 60 years-old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
- 64. Respondents Madasz, Kucera, Jensen, Myers and Marg, on behalf of DSM, Madasz Consulting, and the Skytec respondents, transacted business as an unregistered agent in the State of Missouri without being registered or exempt from registration as an Investment Adviser Representative in violation of Section 409.4-404(a), and engaged in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

Multiple Violations of Employing an Unregistered Investment Adviser <u>Representative</u>

65. **THE COMMISSIONER FURTHER DETERMINES** that at all times relevant to this matter, Respondents DSM, Madasz Consulting, and the Skytec Respondents employed or associated with individuals, including Madasz, Kucera, Jensen, Myers and Marg, who were required to be registered under the Securities Act as investment adviser representatives, and such individuals were not registered, in violation of Section 409.4-403(d).

- 66. At the time Respondents engaged in the conduct set forth above, at least one investor was more than 60 years-old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
- 67. Respondents DSM, Madasz Consulting, and the Skytec Respondents employed or associated with individuals required to be registered as investment adviser representatives in violation of Section 409.4-403(d), and engaged in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

Multiple Violations of Making an Untrue Statement, Omitting to State Material Facts or Engaging in An Act, Practice, or Course of Business that Would Operate as a Fraud or Deceit Upon Another Person in Connection with the Offer or Sale of a Security

- 68. **THE COMMISSIONER FURTHER DETERMINES** that in connection with the offer, sale or purchase of a security, all named Respondents made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, the following:
 - a. none of the Respondents were registered to offer or sell securities to Missouri investors;
 - b. there was no registration, granted exemption, or notice filing indicating status as a "federal covered security" for any securities issued by Respondents;
 - c. that none of the Respondents was registered to provide investment advice;
 - d. when engaging MR1 and KR1 in a consulting agreement to provide investment advice and to sell unregistered securities to them, Madasz failed to disclose the following judgments, liens and bankruptcy:
 - i. a 2007 judgment for \$645,999.90 in Cass County, MO, case number 07CA-CV01033;
 - ii. a 2008 federal tax lien in the amount of \$34,925 filed in Jackson County, Missouri;
 - iii. a State of Missouri tax lien in the amount of \$13,065.98;
 - iv. a Chapter 7 bankruptcy filed on October 12, 2010 that was discharged on March 8, 2011;
 - v. a Kansas state tax warrant filed July 8, 2011, in Shawnee County, Kansas for \$1,566; and

- vi. a State of Missouri tax lien from 2015 for \$5,374;
- e. that \$100,000 of the \$200,000 invested by MR1 in Skytec Security OP, which was owned by Kucera and Jensen, would be transferred to Skyline Security Services, LLC, an entity owned by Myers and Marg, and that another \$71,000 would be transferred to other individuals and entities;
- f. Myers and Marg would deplete the Skyline Security Services account at Wells Fargo bank within two months and spend the \$100,000 on personal expenses;
- g. the guarantors on MR1's promissory notes, Myers and Marg for Skytec Security of Texas, LLC, had formed the LLC under Missouri law only a few days before the investment and it had no assets or business operations. Myers and Marg later executed a Limited Liability Company Agreement for Skytec Security of Texas, LLC, on January 1, 2014, claiming it was a Delaware limited liability company;
- h. Jensen, Kucera and Madasz failed to disclose to MR1 the fact that Madasz would receive a \$20,000 finder's fee and the fact that MR1's \$200,000 investment with Skytec Security OP would be divided between Kucera, Jensen, Myers and Marg;
- i. Patrick Kucera failed to disclose the following judgments filed against him:
 - i. a 1994 judgment in *General Service Bureau, Inc. v. Patrick Kucera*, filed in Douglas County, Nebraska, case number 94114318, in the amount of \$201.00;
 - ii. a 1995 judgment in *Merchants Credit Adjusters, Inc. v. Patrick Kucera*, filed in Douglas County, Nebraska, case number 9502278, in the amount of \$318.00;
 - iii. a 1995 judgment in *Joel Claussen v. Patrick Kucera*, filed in Dodge County, Nebraska, case number C1955146, in the amount of \$10,000.00;
 - iv. a 1995 judgment in *General Service Bureau*, *Inc. v. Patrick Kucera*, filed in Douglas County, Nebraska, case number 9503270, in the amount of \$1,037.00;
 - v. a 1995 judgment in *Merchant Credit Adjusters, Inc. v. Patrick Kucera*, filed in Douglas County, Nebraska, case number C9502278, in the amount of \$318.00;
 - vi. a 2003 judgment in *Capital One Bank v. Patrick Kucera*, filed in Johnson County, Kansas, case number 03LA4469, in the amount of \$1,058.00; and

- vii. a 2004 judgment in *Benson Stone Company, Inc. v. Patrick Kucera*, filed in Winnebago County, Illinois, case number 04SC1014, in the amount of \$1,510.00.
- j. John Myers failed to disclose the following judgments filed against him:
 - i. a Chapter 13 Bankruptcy filed August 9, 2011, case number 1122771, which was dismissed on December 21, 2011;
 - ii. a Kansas tax lien filed September 3, 1992 in Sedgwick County, Kansas in the amount of \$3,022.00;
 - iii. a Georgia tax lien filed June 15, 2005 in Fulton County, Georgia, in the amount of \$779.00;
 - iv. a federal tax lien filed June 21, 2007 in Maricopa County, Arizona, in the amount of \$572,438.00;
 - v. a Kansas tax lien filed September 18, 2009 in Shawnee County, Kansas, in the amount of \$31,100.00;
 - vi. a 2010 judgment in *Mackey Street Partners, Inc. v. John Myers*, filed in Maricopa County, Arizona, case number CV2010028988, in the amount of \$12,030.00;
 - vii. a 2011 judgment in *Innovative Fulfillment Services v. John Myers*, filed in Maricopa County, Arizona, case number 20110585524, in the amount of \$8,765.00;
 - viii. a 2012 judgment in *Blake A Stamper v. John Myers*, filed in Maricopa County, Arizona, case number CV2012-001166, in the amount of \$89,274.00;
 - ix. a 2015 judgment in *Summitbridge National Investments, LLC v. John Myers*, filed in Maricopa County, Arizona, case number CV2010-033784, in the amount of \$320,000.00; and
 - x. a 2016 judgment in *American Builders & Contractors Supply Co., Inc. v. John Myers*, filed in Maricopa County, Arizona, case number CV2016-051411, in the amount of \$45,787.00.
- 69. Respondents made untrue statements of material fact, omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading or engaged in an act, practice, or course of business that would operate as a fraud or deceit upon another person in violation of Section 409.5-501,

- and engaged in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.
- 70. At the time Respondents engaged in the conduct set forth above, at least one investor was more than 60 years-old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
- 71. An order is in the public interest and is consistent with the purposes of the Missouri Securities Act of 2003. *See* Section 409.6-605(b).

III. ORDER

NOW, THEREFORE, it is hereby ordered that Respondents, their agents, employees and servants, and all other persons participating in or about to participate in the above-described violations with knowledge of this order be prohibited from violating or materially aiding in any violation of:

- A. Section 409.3-301, by offering or selling any securities as defined by Section 409.1-102(28), in the State of Missouri unless those securities are registered with the Securities Division of the Office of the Secretary of State in accordance with the provisions of Section 409.3-301;
- B. Section 409.4-401(a), by transacting business in Missouri without being registered or exempt from registration as broker-dealers;
- C. Section 409.4-402(d), by employing an unregistered agent to transact business in Missouri;
- D. Section 409.4-402(a), by transacting business as an unregistered agent;
- E. Section 409.4-403(a), by transacting business as an unregistered investment adviser;
- F. Section 409.4-404(a), by transacting business as an unregistered investment adviser representative;
- G. Section 409.4-403(d), by employing an unregistered investment adviser representative; and
- H. Section 409.5-501, by, in connection with the offer or sale of securities, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statement made, in 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.

IV. <u>STATEMENT</u>

Pursuant to Section 409.6-604, the Commissioner hereby states that he will determine whether to grant the Enforcement Section's requests for:

- A. \$15,000 against each Respondent for more than one violation of Section 409.3-301, when at least one of these violations was committed against an elderly person, in a final order, unless Respondents request a hearing and shows cause why the penalties should not be imposed;
- B. \$15,000 against each Respondent for more than one violation of Section 409.4-401(a), when at least one of these violations was committed against an elderly person, in a final order, unless Respondents request a hearing and shows cause why the penalties should not be imposed;
- C. \$15,000 against each Respondent for more than one violation of Section 409.4-402(d), when at least one of these violations was committed against an elderly person, in a final order, unless Respondents request a hearing and shows cause why the penalties should not be imposed;
- D. \$15,000 against each Respondent for more than one violation of Section 409.4-402(a), when at least one of these violations was committed against an elderly person, in a final order, unless Respondents request a hearing and shows cause why the penalties should not be imposed;
- E. \$15,000 against each Respondent for more than one violation of Section 409.4-403(a), when at least one of these violations was committed against an elderly person, in a final order, unless Respondents request a hearing and shows cause why the penalties should not be imposed;
- F. \$15,000 against each Respondent for more than one violation of Section 409.4-404(a), when at least one of these violations was committed against an elderly person, in a final order, unless Respondents request a hearing and shows cause why the penalties should not be imposed;
- G. \$15,000 against each Respondent for more than one violation of Section 409.4-403(d), when at least one of these violations was committed against an elderly person, in a final order, unless Respondents request a hearing and shows cause why the penalties should not be imposed;
- H. \$15,000 against each Respondent for more than one violation of Section 409.5-501, when at least one of these violations was committed against an elderly person, in a final order, unless Respondents request a hearing and shows cause why the penalties should not be imposed;

- I. an order against Respondents to pay restitution for any loss, including an amount of not less than \$345,100 for any actual damages that may have been caused by the Respondents' conduct, and interest from the date of the violation causing the loss, or disgorge any profits arising from any violation of the Missouri Securities Act or the rules attendant thereto;
- J. an order awarding of the costs of the investigation against Respondents in this proceeding, awarding an amount to be determined after review of evidence submitted by the Enforcement Section, unless Respondents request a hearing and show cause why an award should not be made; and
- K. an order that the Commissioner provide such other relief as he deems just. All of the preceding relief is sought on behalf of the persons injured by the acts and practices of all Respondents that constitute violations of the Missouri Securities Act.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS JOHN DAY OF DECEMBER, 2019.

SEOURI STATE

JOHN R. ASHCROFT SECRETARY OF STATE

DAVID M. MINNICK

COMMISSIONER OF SECURITIES



STATE OF MISSOURI OFFICE OF SECRETARY OF STATE

IN TH	E MATTER OF:)
DSM I MADA KENN PATRI	EL STEPHEN MADASZ, SR.; ENTERPRISES, LLC; ASZ CONSULTING, INC.; JOHN MYERS; ETH MARG; HENRIK R. JENSEN; ICK S. KUCERA; SKYTEC SECURITY ATIONS, LLC; and SKYTEC ROOFING,	Case No. AP-19-21))))))
	Respondents.)
Serve:	Daniel Stephen Madasz, Sr. 11906 E. 203 rd St. Raymore, MO 64083-8457)))
	and)
	DSM Enterprises, LLC 11906 E. 203 rd St. Raymore, MO 64083-8457)))
	and)
	Madasz Consulting, Inc. 7092 W. 105 th St. Overland Park, KS 66212)))
	and)
	John Myers 6341 East Sunnyside Drive Scottsdale, AZ 85254)))
	and))

Kenneth Marg 8408 East Welsh Trail Scottsdale, AZ 85254)
and)
Henrik R.Jensen 809 S.W. Winterpark Blvd. Lee's Summit, MO 64081))))
and)
Patrick S. Kucera 10313 Granada Street Overland Park, KS 66207))))
and)
Skytec Security Operations, LLC 809 S.W. Winterpark Blvd. Lee's Summit, MO 64081))))
and)
Skytec Roofing, LLC 8502 E. Via De Ventura, #240 Scottsdale, AZ 85258))

NOTICE

TO: Respondents and any unnamed representatives aggrieved by this Order:

You may request a hearing in this matter within thirty (30) days of the receipt of this Order pursuant to Section 409.6-604(b), RSMo 2016, and 15 CSR 30-55.020. Any request for a hearing before the Commissioner must contain:

- a. a brief statement of the facts;
- b. a summary of the factual and legal issues involved;
- c. a request for relief;
- d. suggestions in support of the relief sought, including the relevant statutes;
- e. the name of the party requesting the hearing; and

f. the name of the attorney representing the party, if any.

Within fifteen (15) days after receipt of a request in a record from a person or persons subject to this order, the Commissioner will schedule this matter for a hearing.

A request for a hearing must be mailed or delivered, in writing, to:

David M. Minnick, Commissioner of Securities Office of the Secretary of State, Missouri 600 West Main Street, Room 229 Jefferson City, Missouri, 65102

CERTIFICATE OF SERVICE

I hereby certify that on this 100 day of December, 2019, a copy of the foregoing Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed in the above styled case was mailed by certified U.S. mail to:

Daniel Stephen Madasz, Sr. 11906 E. 203rd St. Raymore, MO 64083-8457

DSM Enterprises, LLC 11906 E. 203rd St. Raymore, MO 64083-8457

Madasz Consulting, Inc. 7092 W. 105th St. Overland Park, KS 66212

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Skytec Roofing, LLC 8502 E. Via De Ventura, #240 Scottsdale, AZ 85258

Laurie Dawson

Securities Office Manager