



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF: )  
)  
PATRICK S. KUCERA; )  
HENRIK R. JENSEN; ) Case No.: AP-20-11  
SKYTEC SECURITY MIDWEST LLC; )  
and )  
SKYTEC SECURITY OPERATIONS LLC, )  
)  
*Respondents.* )

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND FINAL ORDER TO CEASE  
AND DESIST AND ORDER AWARDING RESTITUTION, CIVIL PENALTIES, AND  
COSTS**

Now on the 15<sup>th</sup> day of March, 2021, the Missouri Commissioner of Securities (“the Commissioner”), having reviewed this matter, issues the following findings and order:

**I. PROCEDURAL BACKGROUND**

1. On July 21, 2020, the Enforcement Section of the Securities Division of the Office of Secretary of State (“the Enforcement Section”), through Director of Enforcement Douglas M. Jacoby, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, Costs, and Other Administrative Relief Should Not Be Imposed (“the Petition”).
2. On July 24, 2020, the Commissioner issued an Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, Costs, and Other Administrative Relief Should Not Be Imposed.
3. On August 25, 2020, Respondent Patrick S. Kucera (“Kucera”) filed a *pro se* Request for Hearing. Subject to that request, the Commissioner issued an Order laying out the scheduling deadlines for the matter on September 9, 2020 (“Initial Scheduling Order”), setting the matter for hearing December 15, 2020, through December 17, 2020.
4. On December 11, 2020, Cosgrove Law Group, LLC, filed a limited entry of appearance on behalf of Kucera in order to file a Request for Continuance.

5. On December 11, 2020, the Enforcement Section filed an Objection to Kucera's Request for Continuance.
6. On December 14, 2020, the Commissioner granted Kucera's Request for Continuance and issued an Order setting forth the new hearing date of January 12, 2021, through January 14, 2021. All other dates set forth in the Initial Scheduling Order remained in effect.
7. The Commissioner, in a December 31, 2020, Order, denied Kucera's Motion to Hold the Hearing Virtually, denied Kucera's Motion to Dismiss, denied Kucera's Motion for Judgment on the Pleadings, and denied Kucera's Motion in Limine.
8. On January 4, 2021, Kucera filed a Request for Hearing Officer and Motion to Modify the Commissioner's previous denial of his Motion to Hold the Hearing Virtually. The Request for Hearing Officer was denied in a pre-hearing conference call. The Motion to Hold the Hearing Virtually was reconsidered and counsel for Kucera was permitted to attend the hearing via conference call.
9. On January 8, 2021, Respondent Henrik R. Jensen ("Jensen"), having not filed an Answer or Request for Hearing, filed a *pro se* Motion to "Join in all of Kucera's Filings." Although Jensen did not further participate in the litigation of this matter, the Commissioner hereby **GRANTS** this Motion.
10. At the January 12, 2021, hearing, the Enforcement Section appeared by Director of Enforcement Douglas M. Jacoby and Enforcement Counsel Steven M. Kretzer. Kucera did not appear but was represented by counsel David Cosgrove and Charles Max Simpson, both of whom appeared by telephone. Despite each Respondent receiving proper notice of the hearing, Jensen did not appear in person or by phone and no counsel appeared on his behalf. No counsel appeared on behalf of Respondents Skytec Security Midwest LLC or Skytec Security Operations LLC. The Commissioner notes that no Respondent in this matter ever filed an Answer to the Petition.
11. The Enforcement Section made opening statements and submitted evidence in the form of live testimony and exhibits. Testifying live on behalf of Petitioner was Virginia Perkins ("MR2"). The Commissioner finds her testimony competent, relevant, material, and credible. During MR2's testimony Exhibits F1, F2, G, H1, and H2 were admitted into evidence without objection and Exhibits R and S were admitted into evidence over Kucera's objections.
12. Following MR2's testimony, the Enforcement Section tendered for admission four groups of exhibits as follows:
  - a. Exhibits A and U, documenting evidence of the transactions. Exhibit A and U were admitted into evidence over Kucera's objections.
  - b. Exhibit T, documenting Skytec Security Operations LLC's Articles of Incorporation. Exhibit T was admitted without objection.

- c. Exhibits B, C, D, E, I, J, and K, documenting evidence of bank records. Exhibits B, C, D, E, I, J, and K were admitted into evidence over Kucera's objections.
  - d. Exhibits L, M, N, O, P, and Q, documenting business records. Exhibits L, M, N, O, P, and Q were received into evidence over Kucera's objections.
13. At the close of Petitioner's evidence, Kucera moved to dismiss on the basis that the Enforcement Section failed to make a submissible case. The Commissioner reserved ruling on this motion following argument. After consideration, Kucera's motion is hereby **DENIED**.
  14. Kucera presented Exhibits 1, 2 and 3, which were admitted without objection by the Enforcement Section.
  15. Director of Enforcement Douglas M. Jacoby made closing arguments on behalf of the Enforcement Section. Charles Max Simpson made closing arguments for Kucera. Rebuttal argument for Petitioner was offered by Enforcement Counsel Steven M. Kretzer and the matter was considered submitted and the parties were directed to file Proposed Findings of Fact and Conclusions of Law consistent with the Scheduling Order.
  16. On January 25, 2021, Cosgrove Law Group, LLC, filed a Notice of Withdrawal of its representation for Kucera.
  17. On February 8, 2021, Respondents Kucera and Jensen separately filed proposed Findings of Fact and Conclusions of Law. On February 9, 2021, the Enforcement Section filed Proposed Findings of Fact and Conclusions of Law

## **II. FINDINGS OF FACT**

### **A. SUMMARY OF FINDINGS**

The Enforcement Section bears the burden of proof in this matter in accordance with 15 CSR 30-55.090(2)(A). The Enforcement Section, in meeting this burden, presented competent, relevant, credible, and reliable proof of participation by multiple unregistered entities and individuals in a process designed to obtain investors' money. The Commissioner has drawn reasonable inferences from the virtually unrefuted evidence, which includes live testimony, exhibits, and circumstantial evidence. The Respondents facilitated the fraud by appealing to the investors' desire for higher performance on their retirement funds through alternative investments that were purported to facilitate growth and expansion of a fledgling security business. While some statements made to investors were not fully untrue, material misstatements were made and material facts were omitted such that in the aggregate, the communications amounted to fraud. The written materials, emails, and oral communications used to entice investors to participate in a largely unregulated (using a self-directed IRA custodian) investment scheme omit perhaps the most important aspect of the proof. After obtaining the attention of the investors by offering returns in excess of traditional, liquid investments, the Respondents participated, individually and collectively, in a well-organized scheme to gain access to investors' retirement funds. These investors put their money into illiquid securities involving issuers that were neither registered nor exempt from registration.

These are material facts not disclosed to the investors. The underlying businesses in which they invested had little if any operating history and virtually no financial success over a period of years.

**B. RESPONDENTS AND RELATED PARTIES**

18. Jensen is a sixty-year-old Missouri resident with a last known address of 809 SW Winterpark Blvd., Lee's Summit, MO 64081. During the Relevant Period, Jensen was a managing member of Skytec Security Operations LLC and Nobuco LLC.
19. Kucera is a fifty-three-year-old Kansas resident with a last known address at 5736 West 146th Street, Overland Park, KS 66223. During the Relevant Period, Kucera was a managing member of Skytec Security Operations LLC and Patrick S. Kucera LLC.
20. Daniel S. Madasz ("Madasz") is a seventy-year-old Missouri resident with a last known address of 11906 E. 203<sup>rd</sup> St., Raymore, MO 64083. During the Relevant Period, Madasz conducted a financial consulting business under the name MadaszConsulting, Inc., a Missouri corporation organized by Madasz in 2011 and subject to administrative dissolution by the Missouri Secretary of State's Office in June 2013.
21. Kenneth D. Marg ("Marg") is a sixty-six-year-old Arizona resident with a last known address of 8408 East Welsh Trail, Scottsdale, AZ 85254. During the Relevant Period, Marg was a managing member and president of Skytec Security Services LLC.
22. John Myers ("Myers") is a sixty-four-year-old Arizona resident with a last known address of 6341 East Sunnyside Drive, Scottsdale, AZ 85254. Myers is the founder of Skytec Security Services LLC. During the Relevant Period, Myers was a managing member of Skytec Security Services LLC.
23. Equity Trust Company LLC ("Equity Trust"), is a South Dakota company incorporated on February 11, 2003, with a principal place of business at 1 Equity Way, Westlake, OH 44145. Equity Trust provides administration, asset custody and related services specifically tailored for self-directed qualified retirement accounts, like IRAs and 401(k) accounts, investing in non-traditional investments.
24. MadaszConsulting, Inc, ("MadaszConsulting") is a Missouri corporation organized by Madasz in 2011, with a last known place of business at 7311 W. 130<sup>th</sup> Street, Suite 130, Overland Park, KS 66213. Since June 13, 2013, MadaszConsulting has been administratively dissolved by the Missouri Secretary of State's Office for failing to file a correct and current annual report.
25. Nobuco LLC ("Nobuco") is a Nevada limited liability company organized by Jensen in 2006, with a last known place of business at 809 SW Winterpark Blvd., Lee's Summit, MO 64081. During the Relevant Period, Jensen was the sole managing member of Nobuco.
26. Patrick S. Kucera LLC ("PSK LLC") is a Kansas limited liability company organized by Kucera in 2012, with a last known place of business at 9218 Metcalf Ave., Suite 271, Overland Park, KS 66212. During the Relevant Period, Kucera was a managing member

of PSK LLC.

27. Skytec Security Midwest LLC (“Midwest”) is a Missouri limited liability company organized by Jensen on July 23, 2013, with a last known place of business at 809 SW Winterpark Blvd., Lee’s Summit, MO 64081. Midwest was formed as a joint venture between Skytec Security Services LLC (51%) and Skytec Operations LLC (49%) and was expected to serve as an operating entity for Skytec product sales, installation and service throughout North Dakota, South Dakota, Nebraska, Kansas, Missouri, Iowa, Illinois, Wisconsin and Minnesota (“Midwest Region”). No actual business for Midwest, including sales and revenue, ever materialized.
28. Skytec Security Operations LLC (“Skytec Operations”) is a Missouri limited liability company organized by Jensen on October 3, 2013, with a last known place of business at 809 SW Winterpark Blvd., Lee’s Summit, MO 64081. Skytec Operations was intended as a holding company for Jensen and Kucera’s ownership interests in four regional operating entities – Midwest, Skytec Security Texas LLC, Skytec Security Northeast LLC and Skytec Security Southeast LLC – that Jensen and Kucera anticipated acquiring through joint venture agreements with Skytec Security Services LLC. During the Relevant Period, Jensen and Kucera were the managing members of Skytec Operations.
29. Skytec Security Services LLC (f/k/a Skyline Security Services LLC)(“Skytec”) is a Delaware limited liability company formed on July 22, 2013, with a last known primary place of business at 9375 E. Shea Blvd., Suite 208, Scottsdale, AZ 85260. Skytec’s business focused on selling and installing security monitoring equipment to homes and businesses across the United States. During the Relevant Period, Myers and Marg were the managing members of Skytec.
30. Skytec Security Texas LLC (“Texas”) is a Missouri limited liability company organized by Jensen on October 3, 2013, with a last known place of business at 809 SW Winterpark Blvd., Lee’s Summit, MO 64081. Like Midwest, Texas was intended to represent another joint venture between Skytec (with 51% ownership) and Skytec Operations (with 49% ownership) that would serve as an operating entity for Skytec product sales, installation and service throughout Texas, Louisiana, Oklahoma and Arkansas (“Texas Region”), yet no joint venture agreement was ever executed. Although Myers, Kucera and Jensen had taken some initial steps to recruit a local sales team in the Texas Region, no such collaboration ever materialized. Consequently, Texas never commenced operations of any kind and had no bank account.

### **C. ENFORCEMENT SECTION'S INVESTIGATION**

#### **Origin of Missouri Resident 1’s (“MR1’s”) Investment**

31. In 2013, as expectations of a prosperous future began to grow within the nascent security monitoring and alarm system company Skytec, Myers and Marg were finalizing the details of the plan for the organization’s nationwide sales structure. According to the plan, Skytec would divide the United States into eight distinct sales regions. In each region, Skytec would partner with third-party business professionals and/or entrepreneurs to manage,

among other things, Skytec's product sales and installation activities through regional operations entities. Each regional operations entity would be co-owned 51 percent by Skytec and 49 percent by the third-party partners via a joint venture agreement.

32. In mid-June 2013, following several meetings and phone conversations, Myers and Marg tentatively agreed to partner with Jensen and Kucera to manage Skytec's sales and installation activity in four of the eight sales regions. Among the four regions promised to Jensen and Kucera: the Midwest Region and the Texas Region.
33. On or around June 26, 2013, Myers sent Jensen and Kucera the *Skytec Security Midwest LLC Joint Venture Agreement* ("J-V Agreement") to review and sign. The J-V Agreement represented the first of four joint venture agreements the parties expected to execute between one and other.
34. On July 23, 2013, in anticipation of signing the J-V Agreement, Jensen formed Midwest.
35. On July 31, 2013, Kucera and Jensen (on behalf of a yet-to-be-formed entity, Skytec Operations<sup>1</sup>) and Myers and Marg (on behalf of Skytec) executed the J-V Agreement. In the J-V Agreement, the parties agreed, among other things, to the following, in relevant part:
  - a. to form and establish a joint venture to be conducted under the name of Skytec Security Midwest LLC;
  - b. in exchange for payment of \$250,000 by Jensen and Kucera to Skytec ("Midwest Fee"), Skytec would provide Jensen and Kucera, through Skytec Operations, a 49% ownership interest in Midwest and a 50% share of Midwest's profits;
  - c. the J-V Agreement would become void in the event that the Midwest Fee was not received by Skytec within ten business days of execution of the J-V Agreement;
  - d. Skytec and Skytec Operations would make such other capital contributions required to enable Midwest to carry out its purpose;
  - e. Skytec and Skytec Operations would arrange for and or provide any financing as may be required by Midwest to carry out its purpose;
  - f. the terms and conditions of all loans assumed by Midwest would be subject to prior approval of Skytec and Skytec Operations; and
  - g. Skytec and Skytec Operations would endorse, assume, or guarantee all loans assumed by Midwest as Skytec and Skytec Operations may mutually agree.

---

<sup>1</sup> As noted in paragraph 11 above, Skytec Security Operations LLC would not become a legal entity until October 3, 2013.

36. At the time the J-V Agreement was executed, Jensen and Kucera claimed to Myers and Marg that they personally lacked sufficient funds to pay the Midwest Fee but vowed to raise funding for the Midwest Fee from third parties.

### **Investment by MR1**

37. In early August 2013, Jensen and Kucera were introduced to a then fifty-seven-year-old Liberty, Missouri resident, MR1, through an acquaintance of Kucera's.

38. In early August 2013, at initial meetings, which took place at the Marriott hotel in Overland Park, Kansas, and the Em Chamas restaurant in Kansas City, Missouri, Jensen and Kucera solicited MR1 with the opportunity to profit from the expected future success of Midwest by providing all or part of the funding necessary to satisfy payment of the Midwest Fee to Skytec. In return for providing such funding, Jensen and Kucera offered MR1 twenty-five percent (25%) interest on MR1's investment.

39. On August 16, 2013, despite the fact that the J-V Agreement, by its own terms, would have been void on August 14, 2013, Jensen and Kucera again met with MR1 at a Panera Bread restaurant in Liberty, Missouri and presented MR1 with a document of six short paragraphs entitled "Bridge Loan Agreement."

40. The paragraphs of the Bridge Loan Agreement read as follows:

a. "This Agreement for a short-term Bridge Loan is entered into on this 16<sup>th</sup> Day of August 2013, between [MR1] (Lender), DOB 04/6/1956, [MR1's address in Liberty, Missouri] and Skytec Security Midwest LLC, [sic] 809 SW Winterpark Blvd., Lee's Summit, MO 64081."

b. "The purpose of the loan is to help Skytec Security Midwest LLC [sic] secure the Midwest Business Region (one of eight regions in the Skytec Security Services LLC set-up) from Skytec Security Services LLC, Scottsdale (SSSL), Arizona, and shall wire funds direct to SSSL as per details below."

c. "Borrower shall repay Lender the principal and interest under this Agreement as follows:

|                       |  |
|-----------------------|--|
| Loan Period:          | 08/16/2013 - 08/15/2014                        |
| Principal:            | \$100,000.00 (One Hundred Thousand US Dollars) |
| Interest:             | 25% p.a.                                       |
| Term:                 | 12 months                                      |
| Principal & Interest: | \$125,000"                                     |

d. "Borrower shall pay Lender principal and preferred interest out of the on-going cash-flow of Skytec Security Midwest LLC's operation, as per above terms."

e. "Borrower shall be allowed to may [sic] prepayments - partially or in full - without any form of Pre-payment penalty."

- f. “Additionally, Borrower shall - upon successful and complete repayment of the loan - sell to Lender at a price of \$1.00 (One US Dollar) an equity position in Skytec Security Midwest LLC of 2.857%, and Borrower shall thereupon add Lender as a Member in the Operating Agreement of Skytec Security Midwest LLC, upon which Lender shall be governed by such Operating Agreement in line with all other Members of the entity.”
41. The Bridge Loan Agreement was executed by Jensen and Kucera, as members of Midwest, and MR1. The date August 16, 2013, appears next to all three of their signatures.
42. At the time MR1 executed the Bridge Loan Agreement, Jensen and Kucera never disclosed to MR1 that the J-V Agreement, which represented the basis for MR1’s investment, had become void two days earlier on August 14, 2013.
43. The Commissioner finds that 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 Bridge Loan Agreement purchased by MR1.
44. Bank records from MR1’s BMO Harris Bank account ending in #3842 show an outgoing Fedwire on August 19, 2013, in the amount of \$100,000.
45. Bank records from Skytec’s Wells Fargo Bank account ending in #3617 (“Skytec Account #3617”) show a Fedwire deposit from MR1 in the amount of \$100,000. At the time of the deposit, the balance in Skytec Account #3617 was less than \$1,000.
46. On the same day as MR1’s funds were received into Skytec Account #3617, August 19, 2013, bank records show that Myers wrote check #10232 from Skytec Account #3617 account to PSK LLC in the amount of \$20,000. The word “LOAN” was written in the memo field of check #10232. It is unclear whether the \$20,000 represented a finder’s fee to Kucera for MR1’s investment or a personal loan from Skytec to Kucera by way of PSK LLC.
47. On August 19, 2013, bank records show Kucera deposited check #10232 into PSK LLC’s Bank of America account ending in #1587 (“PSK LLC Account #1587”). At the time of the deposit, PSK LLC Account #1587 had a negative balance of -\$14.44.
48. On August 23, 2013, bank records for PSK LLC Account #1587 show, against an account balance of \$19,985.56, an outbound wire transfer of \$4,434.00 to the personal checking account of Kucera and his wife at Bank of America ending in #9751 (“Kucera’s Personal Account #9751”).
49. On August 26, 2013, bank records for PSK LLC Account #1587 show another outbound wire transfer of \$15,000 to Kucera’s Personal Account #9751.
50. The Commissioner did not receive any evidence that either Jensen or Kucera ever disclosed to MR1 that a portion of MR1’s investment would be used to pay a finder’s fee or provide a personal loan to Kucera.



51. The Commissioner did not receive any evidence indicating that MR1 received any return on the Bridge Loan Agreement from Midwest, Skytec Operations, Jensen or Kucera.
52. The Commissioner concludes that the loss to MR1 on the Bridge Loan Agreement is \$125,000.

### **Origin of Missouri Resident 2's ("MR2's") Investment**

53. In August 2013, after signing the J-V Agreement on July 31, 2013, Kucera contacted Madasz and asked Madasz for his assistance in helping Jensen and Kucera raise funds for, among other things, the Midwest Fee. Kucera and Madasz discussed whether any clients of MadaszConsulting might be interested in funding the Midwest Fee and the potential compensation Madasz might earned for providing such service. As an extra incentive, Kucera posited that Madasz's assistance could potentially lead to additional engagement opportunities for MadaszConsulting with Skytec and/or personally with Marg and Myers. Madasz expressed immediate interest. Kucera directed Madasz to coordinate with Jensen on the particulars.
54. Throughout the remainder of August through September 2013, Madasz coordinated with Jensen to develop and fine-tune presentation materials on Skytec and its regional expansion plans for use in soliciting MadaszConsulting clients and other third parties to provide funding for, among other things, the Midwest Fee.
55. On September 27, 2013, Jensen and Kucera continued their efforts – which now included the efforts of Madasz – to raise the remaining \$150,000 in funding for the Midwest Fee. Myers notified Jensen in an email that “it is imperative that we get some kind of deposit down on the Dallas Branch like we did KC in order to hold that Branch any longer. Not only has KC not gotten wrapped up, we have nothing in on Dallas and we have operations [in the Texas Region] starting in a week.” Myers’s email continued, “I don’t know if [Kucera] can get \$’s from [sic] [Madasz] or if you have \$ to put down but we need to get something done because I’ve walked away from \$500,000 in Branch fees from [sic] KC and Dallas in order to hold this for you guys and time is of the essence.” Apparently, by ‘KC,’ Myers was referring to Midwest and by ‘Dallas Branch,’ Myers was referring to Texas.
56. Fearful that they may lose out on the opportunity to partner with Skytec to manage the Texas Region (presumably through another joint venture), Jensen and Kucera’s focus pivoted away from raising the remaining funds for the Midwest Fee to raising funds to pay Skytec a sufficient deposit to secure their interests in the Texas Region (“Texas Deposit”).
57. On October 3, 2013, in anticipation of raising sufficient funds through Madasz for the Texas Deposit and executing another joint venture with Skytec, Jensen formed Texas.
58. On October 3, 2013, Myers and Marg, on behalf of Skytec, executed an engagement agreement with MadaszConsulting. According to the agreement, MadaszConsulting would, among other things, draft and/or revise company-related documents, including Articles of Incorporation, operating agreements, joint venture agreements and promissory note agreements for potential investors for Skytec and its affiliated entities.

## MR2's Investment

59. On Friday, October 4, 2013, Madasz introduced Jensen and Kucera to a then sixty-three-year-old Belton, Missouri resident and Madasz Consulting client, MR2. The introduction was made at a McDonald's restaurant in Grandview, Missouri.
60. At the October 4<sup>th</sup> meeting, Jensen and Kucera pitched and offered MR2 an investment in the business of Skytec broadly. Jensen and Kucera told MR2 that MR2's investment, in the form of a promissory note, would be used to promote and build the business of "Skytec." At no time during the meeting did Jensen or Kucera (or Madasz) mention to MR2 the Midwest Fee or Texas Deposit.
61. Based on information Madasz had shared with Jensen and Kucera ahead of the meeting about MR2's financial means and situation,<sup>2</sup> Jensen and Kucera understood that MR2 could not afford to invest more than \$200,000. Leveraging that information, Jensen and Kucera proceeded to request MR2 invest at least \$200,000. In return, Jensen and Kucera promised MR2 that MR2 would earn twenty-five (25%) percent in accumulated interest within twelve months.
62. On Monday, October 7, 2013, MR2 confirmed with Madasz MR2's decision to invest \$200,000 with Jensen and Kucera. Madasz notified Jensen and Kucera of MR2's decision.
63. That same day, October 7, 2013, Jensen informed Myers and Marg via email ("October 7<sup>th</sup> E-mail"),<sup>3</sup> of Jensen and Kucera's intent to only forward \$100,000 of MR2's potential investment to Skytec in satisfaction of the Texas Deposit. In his reply to Jensen's email, Myers took issue with the plan and stated that \$100,000 was not a sufficient amount to satisfy the Texas Deposit and that the entire amount of MR2's investment should be forwarded to Skytec for purposes of satisfying the Texas Deposit. Myers wrote, "I have a little (maybe big) problem guaranteeing a \$200k note and only receiving \$100k? I feel it needs to come in here and go back out accordingly – either as an expense or loan until we receive the full \$250k – \$100k is a little short!"
64. Following the October 7<sup>th</sup> E-mail, tensions flared between Jensen and Myers and Marg as they attempted to resolve whether Skytec would guarantee payment on the note to MR2 in the event of default by Skytec Operations, and, if so, how the language of such guarantee would be articulated in the actual promissory note document to MR2. In the end, the parties agree to the following language:

*In the event Borrower defaults on payments to Lender, the majority owner of Skytec Security Texas LLC, Scottsdale AZ, has authorization to withhold any and all profit distributions due Skytec Security Operations LLC, and utilize any such withheld distributions to bring note with Lender current ("Guarantee Language").*

---

<sup>2</sup> At the time, MR2 had only \$185,000 of uninvested cash available in an IRA held at Equity Trust but had the means to invest an additional out-of-pocket amount of \$15,000.

<sup>3</sup> Jensen copied Kucera on this email.

65. On October 8, 2013, the parties acknowledged that while the Guarantee Language was not optimal and would have to be revised further for future investors, given Madasz's plan to meet with MR2 to execute the promissory note on October 9, 2013, time was running out. As such, the parties agreed to move forward with the Guarantee Language as is.
66. On October 9, 2013, after finalizing the Guarantee Language with Myers and Marg, Jensen emailed Madasz two promissory notes for MR2: one representing an investment of \$185,000 ("Note #1") and the other representing an investment of \$15,000 ("Note #2"). The introductory paragraph of both Note #1 and Note #2 read as follows:

*The principal loan amount shall be utilized by Skytec Security Operations LLC, to procure a 49% Equity Position in Skytec Security Texas LLC, with the remaining 51% being held by Skytec Security Services LLC, Scottsdale AZ.*

Both Note #1 and Note #2 were pre-signed by Jensen and Kucera, as borrowers on behalf of Skytec Operations, and Myers and Marg, as guarantors on behalf of Skytec. Both Notes promised to pay MR2 twenty-five percent (25%) interest.

67. Despite Jensen and Kucera's misleading sales pitch to MR2 that MR2's investment would represent an investment into "Skytec" in general, MR2, according to the language of Note #1 and Note #2, was investing in Skytec Operations. Specifically, the money MR2 was investing, as the language of Note #1 and Note #2 accurately presents, was providing Skytec Operations money to secure a forty-nine percent ownership in Texas. Texas was expected to be an enterprise co-owned by Jensen and Kucera (through Skytec Operations) and Myers and Marg (through Skytec), presumably through another joint venture agreement, which still had to be executed. The source from which Jensen and Kucera expected to return MR2's principal plus twenty-five percent interest was the anticipated fifty percent of future profits Skytec Operations would earn from Texas' business operations, as per the terms of the yet-to-be-signed joint venture agreement with Skytec.
68. MR2 did not complete the execution of Note #1 and Note #2 during the meeting with Madasz on October 9, 2013. Instead, MR2 took the documents home.
69. On October 10, 2013, MR2 countersigned Note #1 and Note #2 and returned fully executed copies to Madasz.
70. MR2 delivered a fully executed copy of Note #1 to custodian Equity Trust.
71. On Friday, October 11, 2013, Equity Trust emailed MR2 regarding several issues with Note #1, among them, the document listed an erroneous maturity date of "10/10/2013." MR2 promptly forwarded the Equity Trust email to Madasz, who then passed the email along to Jensen, who notified Kucera, Myers, and Marg. That afternoon, after reviewing the email from Equity Trust, Jensen, Kucera, Myers, and Marg scrambled to revise Note #1 as instructed by Equity Trust and gather additional supporting documents also requested

by Equity Trust.<sup>4</sup>

72. On Sunday, October 13, 2013, Madasz emailed Jensen, writing, “It looks like we need to get this done today, if possible. Can you print and get this done and then meet at the McDonalds [*sic*] for signatures.” Later that evening, Jensen and Kucera met Madasz and MR2 at the McDonald’s in Grandview, Missouri and executed the revised Note #1 (“Revised Note #1”).
73. Substantively, Revised Note #1 is identical to Note #1 in all respects, except that it no longer includes signature lines for Myers and Marg as guarantors, despite the Guarantee Language still appearing in the document. Also new hand-written language – most likely in response to an instruction from Equity Trust – appears on Revised Note #1 that reads, “There is a promise to pay without collateral.” (“Collateral Insert”). The initials of Jensen, Kucera, and MR2 appear next to the Collateral Insert.
74. Despite the lack of any specific language contained in Revised Note #1, all signatories of Revised Note #1 – Jensen, Kucera, and MR2 – fully intended Revised Note #1 to supersede and replace Note #1.
75. At all times relevant to this matter, the Commissioner concludes there was no registration, granted exemption, or notice filing indicating status as a “federal covered security” for Note #1, Note #2, or Revised Note #1.
76. Revised Note #1 was accepted by Equity Trust for the benefit of (“FBO”) MR2’s IRA.
77. Bank records for Operation’s Bank of America (“BoA”) account ending in #1518 (“Skytec Operations Account #1518”) show the following transactions:
  - a. at 12:33 P.M. (CST) on October 16, 2013, a deposit of \$185,000 via Fedwire from Equity Trust FBO MR2’s IRA;
  - b. at 1:26 P.M. (CST) on October 16, 2013, a withdrawal of \$100,000 via Fedwire to Skytec’s Wells Fargo bank account ending in #3617;
  - c. on October 17, 2013, a withdrawal of \$20,000 in the form of a bank cashier’s check paid to the order of Daniel Madasz;
  - d. a \$15,000 deposit on October 18, 2013, from the clearance of check #2515, which was paid to the order of Skytec Operations from MR2’s First National Bank account ending in #7414. The check was dated October 13, 2013, and was endorsed by Jensen on behalf of Skytec Operations. A hand-written notation in the

---

<sup>4</sup> In a prior conversation MR2 had with Equity Trust about the proposed investment, MR2 described Note #1 as a secured promissory note. To validate that claim, Equity Trust had requested in its October 11, 2013 email a copy of the “Security Agreement” that specified the underlying collateral backing MR2’s investment in Note #1 in the case of default – a required element to deem the note “secured” – which didn’t exist. Consequently, despite the Guarantee Language in Note #1 and Myers’s and Marg’s signatures on Note #1, each as a “Guarantor,” MR2 and Equity Trust ultimately acknowledged and agreed that Note #1 was an unsecured promissory note.

memo field of the check reads, “+25% 10/8/14”;

- e. on October 18, 2013, a cash withdrawal of \$20,000 in the form of an internal BoA transfer to the BoA checking account of Nobuco ending in #3358 (“Nobuco Account #3358”); and
  - f. on October 18, 2013, a cash withdrawal of \$30,000 in the form of an internal BoA transfer to BoA checking account of PSK LLC ending in #1587 (“PSK LLC Account #1587”).
78. In an October 10, 2013, email to Myers, Jensen had summarized the intended uses of MR2’s investment, as described above in paragraph 61, as follows:
- a. Finder’s fee to Madasz \$20,000;
  - b. Personal loan to Kucera \$30,000;
  - c. Personal loan to Jensen \$20,000;
  - d. Working capital for Skytec Operations \$30,000; and
  - e. Payment toward the Texas Deposit \$100,000.
79. With respect to the \$30,000 that remained in Skytec Operations Account #1518, review of the bank records show the following transactions, among others, after October 18, 2013:
- a. on October 29, 2013, a cash withdrawal of \$1,000 by Jensen; and
  - b. on November 12, 2013, a cash withdrawal of \$10,000 in the form of an internal BoA transfer to Kucera and his wife’s personal BoA checking account ending in #9751 (“Kucera Joint Account #9751”).
80. Review of bank records for PSK LLC Account #1587 show the following transactions:
- a. on October 18, 2013, a deposit of \$30,000; and
  - b. on October 18, 2013, a cash withdrawal of \$10,000 in the form of an internal BoA transfer to Kucera Joint Account #9751.
81. At no time prior to or at the times MR2 executed Note #1, Note #2 or Revised Note #1 did Jensen or Kucera (or Madasz) disclose to MR2:
- a. that Note #1, Note #2, and Revised Note #1 were not registered or exempt from registration in the State of Missouri;
  - b. that \$50,000 of MR2’s investment would be retained by Jensen and Kucera as personal loans;

- c. Madasz's conflicted role as a consultant for both MR2 and Skytec, including his participation in creating and/or revising presentation materials used to solicit MR2's investment and the promissory note documents MR2 ultimately signed; or
  - d. the \$20,000 finder's fee Madasz would receive from MR2's investments in Revised Note #1 and Note #2.
82. MR2 never received any interest on the two promissory notes or a return of MR2's principal investment of \$200,000.
83. The Commissioner concludes that MR2, to date, has a \$250,000 loss, including unpaid interest on Revised Note #1 and Note #2.

### **III. CONCLUSIONS OF LAW**

#### **Three (3) Violations of Offering and Selling Unregistered, Non-Exempt Securities**

84. **THE COMMISSIONER DETERMINES** that Respondents offered unregistered, non-exempt securities in the form of a bridge loan agreement and a two promissory notes in a limited liability company in the State of Missouri, in violation of Section 409.3-301.<sup>5</sup>
- a. "Security" is defined in Section 409.1-102(28). The bridge loan agreement and promissory notes Respondents offered and sold to MRs are securities under Section 409.1-102(28);
  - b. "Sale" and "Offer to sell" is defined in Section 409.1-102(26). In the case of MR1, in August 2013, after meeting at the Marriott hotel in Overland Park, Kansas earlier in the day, Respondents Kucera and Jensen, along with Myers, met with MR1 at Em Chamas restaurant in Kansas City, Missouri to continue soliciting an investment from MR1. It was at the restaurant that MR1 first received a copy of the Bridge Loan Agreement from Respondents, which MR1 executed a few days later. Exhibit 1. In the case of MR2, Respondents Kucera and Jensen first met with MR2 at the McDonald's restaurant in Grandview, Missouri to solicit MR2's investment. Subsequently, upon revising Note #1 at the request of Equity Trust, Respondents again met MR2 at the Grandview, Missouri McDonald's to execute Revised Note #1; and
  - c. 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 by Respondents to MRs in the State of Missouri.
85. At the time Respondents engaged in the conduct set forth above, MR2 was more than sixty-years-old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).

---

<sup>5</sup> Unless otherwise noted, all statutory references are to the 2020 Supp. Revised Statutes of Missouri.

86. Respondents' violations of Section 409.3-301 constitute an illegal act, practice, or course of business subject to the Commissioner's authority under Section 409.6-604.

**Three (3) Violations of Section 409.5-501**

87. **THE COMMISSIONER FURTHER DETERMINES** that Respondents, in connection with the offer and sale of a security, in three (3) instances: (i) employed a device, scheme, or artifice to defraud or 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, and (iii) engaged in acts, practices, or course of business that operated or would operate as a fraud or deceit upon another person, in violation of Section 409.5-501(2).
- a. The misleading statements and omissions of material fact made by Respondents in connection with Respondents' offers and sales of the Bridge Loan Agreement to MR1 include, but are not limited to, the following:
- (1) While presenting the investment opportunity to MR1 as a means by which MR1 could assist Midwest with securing rights to the Midwest Region, Respondents failed to disclose to MR1 that, in reality, Respondents Jensen and Kucera were raising funds on behalf of Skytec Operations, of which Jensen and Kucera were managing members, to secure 49% ownership in Midwest;
  - (2) While presenting the investment opportunity to MR1 as a means by which MR1 could assist Midwest in securing rights to the Midwest Region, Respondents failed to disclose to MR1 that the J-V Agreement, which formed the very foundation of Midwest's operational existence, had become void two days prior to Respondents Jensen's and Kucera's meeting with MR1 on August 16, 2013, to execute the Bridge Loan Agreement; and
  - (3) While presenting the investment opportunity to MR1 as a means by which MR1 could assist Midwest with securing rights to the Midwest Region, Respondents failed to disclose to MR1 that a portion of MR1's investment would be used to pay compensation to Respondent Kucera for the investment made in the Bridge Loan Agreement.
- b. The misleading statements and omissions of material fact made by Respondents in connection with Respondents' offers and sales of the two promissory notes to MR2 include, but are not limited to, the following:
- (1) While presenting the investment opportunity in their oral solicitations to MR2 as a means for MR2 to broadly assist the growth of the entire Skytec brand, delivering note documents to MR2 that characterized the investment otherwise, without explaining the discrepancy to MR2;
  - (2) While delivering the promissory notes documents to MR2 that

characterized the investment as an opportunity to assist in Skytec Operations in securing a 49% ownership interest in Texas, Respondents failed to disclose to MR2 that, at the time, no joint venture agreement for Texas had been executed between Skytec Operations and Skytec;

- (3) While soliciting MR2's investment, Respondents failed to disclose to MR2 that a portion of MR2's investment would be retained by Respondents Jensen and Kucera for their personal use;
- (4) While soliciting MR2's investment, Respondents failed to disclose Madasz's conflicts; and
- (5) While soliciting MR2's investment, Respondents failed to disclose to MR2 that a portion of MR2's investment would be used to pay compensation to Madasz for introducing MR2 to Respondents Jensen and Kucera.

88. At the time Respondents engaged in the conduct set forth above, MR2 was more than sixty-years-old and were elderly persons as that term is defined under Section 409.6-604(d)(3)(B).
89. Respondents' violations of Section 409.5-501(2) constitute engagement in an illegal act, practice, or course of business subject to the Commissioner's authority under Section 409.6-604.

#### **IV. 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 are prohibited from:

- A. 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; and
- B. 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.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604(d), Respondents shall pay, jointly and severally, a civil penalty in the amount of \$40,000 for three violations of Section 409.3-301, where two of those violations involved an elderly person. These amounts shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. This amount shall be sent to the Missouri Securities Division at 600 West Main Street, P.O. Box 1276,



Jefferson City, Missouri 65102.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604(d), Respondents shall pay, jointly and severally, a civil penalty in the amount of \$55,000 for three violations of Section 409.5-501, where two of those violations involved elderly persons. These amounts shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. This amount shall be sent to the Missouri Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604(d)(2), Respondents shall pay, jointly and severally, restitution in the amount of \$375,000 for violations of Sections 409.3-301 and 409.5-501. This amount shall be made payable to the Missouri Secretary of State's Investor Restitution Fund, and the Commissioner will take reasonable and necessary actions to distribute such funds to the investors listed on Exhibit 1. This amount shall be sent to the Missouri Securities Division at 600 West Main, P.O. Box 1276, Jefferson City, Missouri 65102, within thirty (30) days of this Final Order.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604(e), Respondents shall pay, jointly and severally, \$18,669.43 in actual costs for investigation into, and the proceedings associated with, this matter as requested by the Enforcement Section in Exhibit 2. This amount shall be made payable to the Investor Education and Protection Fund. This amount shall be sent to the Missouri Securities Division at 600 West Main, P.O. Box 1276, Jefferson City, Missouri 65102, within thirty (30) days of the date of this Final Order.

**IT IS FURTHER ORDERED** that each Respondent shall pay their own costs and attorney's fees in this matter.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 15th DAY OF MARCH, 2021.



JOHN R. ASHCROFT  
SECRETARY OF STATE

  
\_\_\_\_\_  
DAVID M. MINNICK  
COMMISSIONER OF SECURITIES