



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF: )  
)  
JOHN D. MYERS; KENNETH D. MARG; )  
DANIEL S. MADASZ, SR.; ) Case No. AP-21-02  
SKYTEC SECURITY SERVICES, LLC; and )  
SKYTEC SERVICE KC, LLC, )  
)  
*Respondents.* )

**CONSENT ORDER**

**SUMMARY OF SECURITIES DIVISION'S ALLEGATIONS**

1. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“**Enforcement Section**”), through Securities Director of Enforcement Douglas M. Jacoby has alleged that between February 1, 2014 and June 1, 2018 (“**Relevant Period**”), Respondents engaged in acts and practices in violation of Sections 409.3-301 and 409.5-501 of the Missouri Securities Act of 2003 (the “**Act**”)<sup>1</sup> by offering and selling \$1,024,167 in unregistered, non-exempt securities in the form of promissory notes to eight (8) Missouri residents. In connection with such offers and sales, Respondents, either directly or indirectly through Respondent Daniel S. Madasz, Sr. (“**Madasz**”), made untrue statements and material omissions that misled the investors into investing in the promissory notes, which were offered and sold on the proposition of raising working capital for Respondents’ fledgling enterprises Skytec Security Services, LLC and Skytec Service KC, LLC. However, once in possession of the investors’ funds, Respondents used a significant portion of the funds for their own personal benefit. Additionally, with respect to the funds raised for Skytec Security Services LLC, Respondents John D. Myers (“**Myers**”) and Kenneth D. Marg (“**Marg**”) lulled investors by using funds from new investors to pay earlier investors. These violations constitute grounds to issue an order pursuant to Section 409.6-604.
2. Marg and the Enforcement Section desire to settle the allegations and all the matters raised by the Enforcement Section relating to Marg’s involvement in the alleged violations as set forth in the Commissioner’s Order to Cease and Desist and Order to Show Cause Why

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<sup>1</sup> Unless otherwise noted, all statutory references are to the 2020 Supp. Revised Statutes of Missouri.

Restitution, Civil Penalties, Costs, and Other Administrative Relief Should Not Be Imposed in this matter, which was filed on February 23, 2021.

### **CONSENT TO JURISDICTION**

3. Marg and the Enforcement Section stipulate and agree that the Missouri Commissioner of Securities (“**Commissioner**”) has jurisdiction over Marg and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
4. Marg and the Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h) which provides:

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

### **WAIVER AND EXCEPTION**

5. Marg waives his right to a hearing with respect to this matter.
6. Marg waives any right he may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Marg 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. Marg stipulates and agrees with the Enforcement Section that, should the facts contained herein prove to be false or incomplete in a material way, the Enforcement Section reserves the right to pursue any and all legal or administrative remedies at its disposal:

### **CONSENT TO COMMISSIONER’S ORDER**

8. Marg and the Enforcement Section stipulate and agree to the issuance of this Order without further proceedings in this matter against Marg, agreeing to be fully bound by the terms and conditions specified herein.
9. Marg agrees not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Marg’s (a) testimonial obligations; (b) right to take legal or factual position in defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Marg agrees that he is not the prevailing party in this action since the parties have reached a good faith settlement related to Marg’s involvement in the alleged violations in this matter.

11. Marg neither admits nor denies the allegations made by the Enforcement Section, but consents solely for the purpose of this matter only and not for any other matter, to the Commissioner's Findings of Fact, Conclusions of Law, and Order as set forth below solely for the purposes of resolving this proceeding and any proceeding that may be brought to enforce the terms of this Order.

## **COMMISSIONER'S FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

### **I. FINDINGS OF FACT**

#### ***A. Respondents***

12. Marg is a sixty-six-year-old Arizona resident. During the Relevant Period, Marg was the president and, along with Myers, a managing member and signatory to the bank accounts of Skytec Security Services, LLC.
13. Myers is a sixty-four-year-old Arizona resident and the founder of Skytec Security Services LLC. During the Relevant Period, Myers, along with Marg, was a managing member and signatory to the bank accounts of Skytec Security Services, LLC.
14. Madasz is a seventy-year-old Missouri native and current inmate at the El Dorado Correctional Facility in Kansas. During the Relevant Period, Madasz was the senior vice president of business development for Skytec Security Services, LLC, with the principal responsibility to raise capital for that entity.
15. Skytec Security Services, LLC f/k/a Skyline Security Services LLC ("SSSLC") is a Delaware limited liability company formed on July 22, 2013, with a last known primary place of business at 6424 E Greenway Parkway, #135, Scottsdale, AZ, 85254. SSSLLC's business principally focused on selling and installing security monitoring equipment to homes and businesses across the United States. In 2015, SSSLLC expanded its services to include residential roof repair.
16. Skytec Service KC, LLC ("Skytec Service KC") purportedly operated from the primary business address of 8603 E Royal Palm Rd., Scottsdale, AZ 85258. According to records at Enterprise Bank and Trust ("**Enterprise Bank**"), where Madasz and Myers established a checking account for Skytec Service KC on June 16, 2016, Skytec Service KC is represented as a Kansas limited liability company; however, no record of such entity exists with the State of Kansas or, for that matter, with the states of Missouri or Arizona. Madasz, Myers and Marg were all signatories on the Enterprise Bank account of Skytec Service KC from its inception until Madasz succeeded as sole signatory on May 12, 2017. Based on information and belief, during the Relevant Period, Madasz, Myers and Marg were each a 1/3 owner of Skytec Service KC, which purportedly engaged in a "roofing and security systems" business.

***B. Allegations Relevant to Respondent Marg***

17. During the Relevant Period, Marg, as president and a managing member of SSSLLC with control, as signatory, over several bank accounts of SSSLC and its affiliated entities, including, but not limited to, Skytec Service KC, was directly or indirectly responsible for the following activities:
  - a. Issuing unregistered, non-exempt securities in the form of promissory notes to eight Missouri residents, in violation of Section 409.3-301;
  - b. Failing to disclose material information and/or making untrue statements in the course of offering and selling to each of the eight Missouri residents one or more promissory note securities of either SSSLLC or Skytec Service KC, in violation of Section 409.5-501(2); and
  - c. Using funds received into the bank accounts of SSSLLC and Skytec Service KC from the eight Missouri residents who had purchased one or more of the aforementioned promissory note securities to pay earlier investors, in violation of Section 409.5-501(3).

**II. CONCLUSIONS OF LAW**

18. **THE COMMISSIONER CONCLUDES** that the promissory notes are securities as defined in Section 409.1-102(28).
19. **THE COMMISSIONER CONCLUDES** that Marg sold unregistered, non-exempt securities in the State of Missouri in violation of Section 409.3-301.
20. **THE COMMISSIONER CONCLUDES** that Marg, in connection with the offer or sale of securities, made untrue statements of a material fact or omitted to state a material fact necessary in order to make the statement made, in light of the circumstances under which it was made, not misleading and engaged in an act, practice, or course of business that operated or would operate as a fraud or deceit upon another person, in violation of Sections 409.5-501.
21. **THE COMMISSIONER CONCLUDES** that the violations above are sufficient to issue an order in accordance with Section 409.6-604.
22. The Commissioner, after consideration of the stipulations set forth above and on consent of Marg and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Marg in this matter and that the following Order is in the public interest, necessary for the protection of public investors and consistent with the purposes intended by Chapter 409, RSMo.

III. ORDER

NOW, THEREFORE, it is hereby ordered that:

23. Marg, his respective agents, employees and servants, and all other persons participating in the above-described alleged violations with knowledge of this Order are permanently enjoined and restrained from engaging in violations of Sections 409.3-301 and 409.5-501.
24. Marg shall pay restitution in the amount of \$33,500 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 on a pro rata basis to the investors as set forth in Exhibit 1 attached herein.
25. Marg 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 29<sup>th</sup> DAY OF JUNE, 2021.

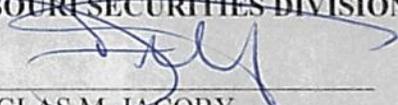


JOHN R. ASHCROFT  
SECRETARY OF STATE

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

Consented to by:

**MISSOURI SECURITIES DIVISION:**

  
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DOUGLAS M. JACOBY  
DIRECTOR OF ENFORCEMENT

**KENNETH D. MARG:**

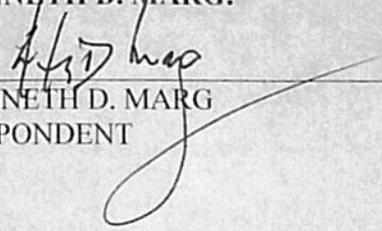
  
\_\_\_\_\_  
KENNETH D. MARG  
RESPONDENT

EXHIBIT 1

MR#	Amount Invested	Percentage of Total Amount Invested by All Investors	Pro Rata Allocation of Settlement Amount
MR1:	\$125,000.00	12.21%	\$4,088.69
MR2:	\$116,667.00	11.39%	\$3,816.12
MR3:	\$31,100.00	3.04%	\$1,017.27
MR4:	\$38,900.00	3.80%	\$1,272.40
MR5:	\$163,000.00	15.92%	\$5,331.65
MR6:	\$63,000.00	6.15%	\$2,060.70
MR7:	\$466,500.00	45.55%	\$15,258.99
MR8:	\$20,000.00	1.95%	\$654.19
	\$1,024,167.00	100.00%	
			\$33,500.00