

State of Missouri
Office of Secretary of State

Case No. AP-06-31

IN THE MATTER OF:

PASEO BIOFUELS, LLC,

Respondent

Serve at:

S3337 Emerald Lane
Jefferson City, MO 65109

CONSENT ORDER

WHEREAS, the above-titled proceeding has come before the Commissioner of Securities through a Joint Petition for a Consent Order submitted by the Enforcement Section of the Securities Division (the "Division") of the Office of Secretary of State, through its Chief Counsel, Patrick T. Morgan, and Respondent, through its counsel, Wallace E. Brockhoff, on October 20, 2006 (the "Joint Petition");

WHEREAS, the Division has alleged in the Joint Petition that Respondent offered unregistered, nonexempt securities in the form of membership units in Missouri in violation of Section 409.3-301, RSMo;

WHEREAS, Respondent neither admits nor denies the allegations in the Joint Petition;

WHEREAS, Respondent and the Division desire to settle these allegations;

WHEREAS, as stated in the Joint Petition, Respondent and the Division stipulate and agree that the Commissioner of Securities has jurisdiction over these matters pursuant to Chapter 409, RSMo;

WHEREAS, as stated in the Joint Petition, Respondent and the Division stipulate and agree that the Commissioner of Securities has authority to enter this Consent Order pursuant to Section 409.6-604(h), RSMo;

WHEREAS, as stated in the Joint Petition, Respondent and the Division agree to be fully bound by the terms and conditions specified herein and each waives its right to a hearing with respect to this matter, to judicial review of this matter, or to otherwise challenge or contest the terms and conditions of this consent order or the Joint Petition for a Consent Order;

WHEREAS, the Commissioner adopts the Allegations of Fact in the Joint Petition for a Consent Order as his findings of fact, and Respondent neither admits nor denies such findings of fact;

WHEREAS, the Commissioner adopts the Allegations of Statutory Violations in the Joint Petition for a Consent Order as his conclusions of law, and Respondent neither admits nor denies such conclusions of law; and

WHEREAS, the Commissioner, after consideration of the above and with the consent of Respondent and the Division, finds the following consent order, pursuant to Section 409.6-604(h), RSMo, to be in the public interest and necessary for the protection of public investors, and consistent with the provisions of Chapter 409, RSMo;

ORDER

NOW, THEREFORE, it is hereby **AGREED** and **ORDERED** that:

- A. Respondent shall pay a civil penalty to the State of Missouri in the amount of \$6,000 within 30 calendar days from the entry of this consent order. Respondent's payment must be by cashier's check or money order payable to the Missouri Secretary of State. Respondent must deliver or send its payment to the Securities Division, 600 W. Main Street, PO Box 1276, Jefferson City, Missouri 65102;
- B. Respondent shall pay the Division's \$2,692 costs of investigation and administration of this matter within 30 calendar days from the entry of this consent order. Respondent's payment must be by cashier's check, money order, or any other immediately available funds and must be made payable to the Missouri Secretary of State's Investor Education and Protection Fund. Respondent must deliver or send its payment to the Securities Division, 600 W. Main Street, PO Box 1276, Jefferson City, Missouri 65102;
- C. Respondent shall pay \$15,000 to the Missouri Investor Education and Protection Fund within 30 calendar days from the entry of this consent order. Respondent's payment must be by cashier's check, money order, or any other immediately available funds and must be made payable to the Missouri Secretary of State's Investor Education and Protection Fund. Respondent must deliver or send its payment to the Securities Division, 600 W. Main Street, PO Box 1276, Jefferson City, Missouri

65102;

- D. Respondent shall make a rescission offer pursuant to Section 409.5-510, RSMo, to all attendees of the informational meetings described in paragraph 5 of the Joint Petition who have purchased membership interests from Respondent. Respondent shall send or deliver this rescission offer to all such attendees no later than 30 calendar days from entry of this consent order;
- E. Respondent shall, for 3 years from the entry of this consent order, permit the Commissioner or his designee to inspect or examine all of Respondent's documents, books, or other records (as that term is defined in section 409.1-102(25), RSMo) that pertain to the offer or sale of its membership interests; and
- F. Respondent shall pay its 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 23RD DAY OF OCTOBER, 2006.

ROBIN CARNAHAN
SECRETARY OF STATE

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