

State of Missouri
Office of Secretary of State

Case No. AP-10-06

IN THE MATTER OF:

PARAGON FINANCIAL GROUP, INC.;
EK MARKETING, INC.;
BRIAN EKASALA, CRD # 2294855; and
SUSAN GARRARD

Serve Paragon Financial Group, Inc. at:
16955 SW 286th Street
Homestead, Florida 33030

Serve EK Marketing, Inc. at:
10551 Barkley Street, Suite 106,
Overland Park, Kansas 66212; or at:
4110 Emerald Vis,
Lake Worth, Florida 33030

Serve Brian Ekasala at:
4110 Emerald Vis,
Lake Worth, Florida 33461

Serve Suzan Garrard at:
16955 SW 286th Street
Homestead, Florida 33030

CONSENT ORDER AS TO EK MARKETING, INC., & BRIAN EKASALA

SUMMARY OF ENFORCEMENT SECTION'S ALLEGATIONS

1. The Enforcement Section of the Missouri Securities Division ("Enforcement Section") has alleged that Respondent Brian Ekasala ("Ekasala") engaged in offering and selling unregistered, nonexempt securities, transacting business as an unregistered agent, and making an untrue statement or omitting to state material facts in connection with the offer or sale of a security and that this constitutes grounds to impose a civil penalty pursuant to Section 409.6-604(d)(1), RSMo. (Cum. Supp. 2011).
2. The Enforcement Section has alleged that Respondent EK Marketing, Inc. ("EKM") violated section 409.3-301 by offering and selling unregistered, nonexempt securities in Missouri and violated section 409.402(d) by employing or associating with an unregistered agent in Missouri and that these violations constitutes grounds for the Commissioner to impose a civil penalty pursuant to Section 409.6-604(d)(1), RSMo. (Cum. Supp. 2011).
3. As used in this Order, the term "Respondents" refers only to Ekasala and EKM.
4. Respondents and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to the Respondents' alleged violations of the Missouri Securities Act of 2003.

CONSENT TO JURISDICTION

5. Respondents and the Enforcement Section stipulate and agree that the Commissioner has jurisdiction over the Respondents and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
6. Respondents and the Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), RSMo. (Cum. Supp. 2011), 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

7. Respondents waive their right to a hearing with respect to this matter.
8. Respondents waive any right that they may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondents specifically forever release and hold 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.

9. Respondents stipulate and agree with the Enforcement Section that, should the facts contained herein prove to be false or incomplete, the Enforcement Section reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER'S ORDER

10. Respondents and the Enforcement Section stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
11. Respondents agree 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 Respondents' (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 of Securities is not a party; or (c) right to make public statements that are factual.
12. Respondents agree that Respondents are not the prevailing party in this action since the parties have reached a good faith settlement.
13. Respondents neither admit nor deny the allegations made by the Enforcement Section, but consent 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 Consent Order.

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

I. FINDINGS OF FACT

14. Ekasala was president and registered agent of Paragon Financial Group, Inc. ("PFG"). Ekasala's last known address is 4110 Emerald Vis, Lake Worth, Florida 33030.
15. Ekasala was registered as principal of PFG with the National Futures Association from November 16, 2007 to July 15, 2008.
16. Ekasala was previously registered as a securities agent in Missouri through the Central Registration Depository System ("CRD") and had a CRD number of 2294855. Ekasala has not been registered as an agent in Missouri since December 31, 2002.
17. EKM was a Kansas corporation with a last-known business address of 10551 Barkley Street, Suite 106, Overland Park, Kansas 66212. EKM was administratively dissolved after failing to timely file annual reports.
18. During EKM's existence, Ekasala was its owner and registered corporate agent.
19. Sometime in early 2007, a 45-year-old Missouri resident ("MR1") opened a trading account through PFG.
20. On or before June 17, 2008, MR1 telephoned Ekasala in Kansas from MR1's office in St. Louis, Missouri.
21. During that phone conversation, Respondents Ekasala and EKM verbally offered MR1 the opportunity to invest \$10,000 in EKM (the "EKM investment") in order to make a profit.
22. On June 17, 2008, MR1 wrote a \$10,000 check to EKM for the EKM investment.
23. MR1's check was deposited in EKM's bank account on June 20, 2008.
24. Neither Ekasala nor EKM provided MR1 with any written disclosures regarding the EKM investment.
25. MR1's money was commingled with other, unrelated funds and used in part for purposes other than what was disclosed to MR1.
26. To date, MR1 has not received any profit on or the return of his principal on EKM investment.
27. A review of the records maintained by the Commissioner indicates, during all time relevant to this Order, no registration or notice filing under the Missouri Securities Act of 2003 for the EKM investment.
28. A review of the records maintained by the Commissioner indicates that, during all time relevant to this Order, Respondent Ekasala was not registered under the Missouri Securities Act of 2003 as an issuer agent.

II. CONCLUSIONS OF LAW

29. Based on the facts above, the Commissioner concludes that the EKM investment qualifies as a security under section 409.1-102(28), RSMo.

30. Based on the facts above, the Commissioner concludes that Respondents Ekasala and EKM "offered to sell" or "sold," as those terms are defined under section 409.1-102(26), RSMo, a security to MR1 when they offered or sold the EKM investment to MR1 in Missouri.
31. Based on the facts above, the Commissioner concludes that Respondents Ekasala and EKM violated section 409.3-301, RSMo, when they offered or sold the EKM investment to MR1 when the EKM investment was not registered under the Missouri Securities Act of 2003.
32. Based on the facts above, the Commissioner concludes that Respondent Ekasala qualified as an agent, as that term is defined under section 409.1-102(1), RSMo, for EKM. Based on the facts above, the Commissioner concludes that Respondent EKM violated section 409.4-402(d), RSMo, when EKM engaged in offering or selling the EKM investment while employing or associating with Ekasala who transacted business as agent for EKM in Missouri. Based on the facts above, the Commissioner concludes that Respondents Ekasala and EKM section violated section 409.5-501(2), RSMo, when the Respondents, in connection with the offer or sale of the EKM investment to MR1, made an untrue statement of material fact in that Respondents falsely stated that MR1's money would earn a profit for MR1 by being used to assist the other company when, in actuality, MR1's money was used in part for purposes other than what was disclosed to MR1.
33. The Commissioner, after considering the above stipulations, conclusions of law, and the consent of the Respondents and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondents EKM and Ekasala and 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. (Cum. Supp. 2011).

III. ORDER

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

1. Respondents EKM and Ekasala shall pay, jointly and severally, \$10,000 to the Investor Education and Protection Fund. Respondents EKM and Ekasala's payment is hereby suspended if Respondents EKM and Ekasala:
 - a. satisfy the requirements of this Consent Order within the time periods ordered below, and
 - b. are not found, after notice and opportunity for hearing, to have violated the Missouri Securities Act of 2003 or a rule adopted or order issued under that act, for a period of three years from the execution of this Consent Order.¹

If, within three years from the execution of this Consent Order, the Commissioner or any court finds that, as described above, EKM or Ekasala did not satisfy the requirements of this Consent Order or violated the Missouri Securities Act of 2003 or a rule adopted or order issued under that act, then EKM or Ekasala are hereby ordered to pay the suspended payment ten days from the Commissioner's or the court's finding. Such payment shall be made by cashier's check or money order and delivered or sent to the Securities Division, 600 W. Main Street, PO Box 1276, Jefferson City, Missouri 65102.

Respondents Ekasala and EKM are ordered to make such payment payable to the "Investor Education and Protection Fund." If the Commissioner or any court does not make such a finding within three years from the execution of this Consent Order, then the suspended payment is permanently waived.

2. Respondents Ekasala and EKM shall, jointly and severally, pay \$10,000 to the Investor Restitution Fund. These payments are to be made in eight (8) equal monthly installments of one thousand two hundred fifty dollars (\$1,250), which payments shall be due and payable on the fifteenth (15) day of each month, beginning on March 15, 2012, continuing until this amount is paid in full. If Respondents miss any payment, the full amount remaining shall be immediately due and payable.. Respondents Ekasala and EKM are ordered to make such payment by cashier's check or money order and deliver or send the payment to the Securities Division, 600 W. Main Street, PO Box 1276, Jefferson City, Missouri 65102. Respondents Ekasala and EKM are ordered to make such payment payable to the "Investor Restitution Fund." The Commissioner will take reasonable and necessary actions to distribute such funds to those persons injured by the unlawful acts, practices, or courses of business described above.
3. Respondents Ekasala and EKM shall, jointly and severally, pay \$2,000 as reimbursement for costs of the investigation and administration of this matter. These payments are to be made in eight (8) equal monthly installments of two hundred fifty dollars (\$250), which payments shall be due and payable on the fifteenth (15) day of each month, beginning on March 15, 2012, continuing until this amount is paid in full. If Respondents miss any payment, the full amount remaining shall be immediately due and payable. Respondents Ekasala and EKM are ordered to make such payment by cashier's check or money order and deliver or send the payment to the Securities Division, 600 W. Main Street, PO Box 1276, Jefferson City, Missouri 65102. Respondents Ekasala and EKM are ordered to make such payment payable to the "Investor Education and Protection Fund."
4. Respondent Ekasala is prohibited from applying for registration or transacting business as a broker-dealer, agent, investment adviser, or investment adviser representative in Missouri for a period of one year from the effective date of this Consent Order.
5. Respondents Ekasala and EKM shall pay their 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 29TH DAY OF FEBRUARY, 2012.

ROBIN CARNAHAN
SECRETARY OF STATE

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

Consented to by:
MISSOURI SECURITIES DIVISION

Roumen Manolov
Deputy Chief Counsel

E K MARKETING, INC.

Approved as to Form:
John Miller
Attorney for Respondent

[\[1\]](#) For the purposes of this Consent Order, any final order or consent order related to or resulting from this matter AP-10-06 are excluded from this provision.