

**State of Missouri  
Office of Secretary of State**

Case No. AP-11-27

IN THE MATTER OF:

KEVIN M. BROWN;  
INVISION INVESTMENTS OF COLUMBUS, LLC;  
INVISION INVESTMENTS OF ST. LOUIS, LLC; AND  
INVISION HOLDINGS LLC,

Respondents.

Serve: KEVIN M. BROWN at:  
2020 Dardenne Valley Drive  
O'Fallon, Missouri 63368

INVISION INVESTMENTS OF COLUMBUS, LLC  
A.G.C. Company, Registered Agent at:  
65 East State Street, Suite 2100  
Columbus, Ohio 43215

INVISION INVESTMENTS OF ST. LOUIS, LLC  
Kevin M. Brown, Registered Agent at:  
1360 South Fifth Street, Suite 346  
St. Charles, Missouri 63301

INVISION HOLDINGS LLC  
Kevin M. Brown, Registered Agent at:  
2020 Dardenne Valley Drive  
O'Fallon, Missouri 63368

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

On November 15, 2011, the Enforcement Section of the Securities Division of the Office of Secretary of State (the "Enforcement Section"), through the Securities Division's Assistant Commissioner Mary S. Hosmer, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed. After reviewing the petition, the Commissioner issues the following findings of fact, conclusions of law and order:

**I. FINDINGS OF FACT**

1. Kevin M. Brown ("Brown") has an address of 2020 Dardenne Valley Drive, O'Fallon, Missouri, 63368. A check of the records maintained by the Commissioner indicates that Brown has never been registered as an agent or as an investment adviser representative in the State of Missouri.
2. Invision Investments of Columbus, LLC ("Invision Columbus") is an Ohio limited liability company organized and managed by Brown. Invision Columbus lists A.G.C. Company at 65 East State Street, Suite 2100, Columbus, Ohio 43215, as its registered agent for service of process.
3. Invision Investments of St. Louis, LLC ("Invision Investments") is a Missouri limited liability company organized and managed by Brown. Invision Investments lists Brown at 1360 South Fifth Street, Suite 346, St. Charles, Missouri 63301, as its registered agent for service of process.
4. Invision Holdings LLC ("Invision Holdings") is a Missouri limited liability company organized and managed by Brown. Invision Holdings lists Brown at 2020 Dardenne Valley Drive, O'Fallon, Missouri 63368, as its registered agent for service of process.
5. Ubiquity Broadcasting Corporation, formerly known as, Ubiquity Holdings; 360-C, LLC, d/b/a Hardcore Extreme Sports; and International Apparel Group (collectively referred to here as "UBC"), is a Delaware corporation located in California with an address of 32401 Calle Perfecto, San Juan Capistrano, California 92675-4773. In 2006, UBC filed a *Notice of Sale of Securities Pursuant to Regulation D* ("Form D") with the U.S. Securities and Exchange Commission ("SEC"). In the Form D, UBC stated that it had not sold nor did it intend to sell securities to non-accredited investors. In February 2008, UBC filed a notice of sale of securities pursuant to Regulation D with the State of Missouri Securities Division.
6. Christopher Carmichael ("Carmichael") is the president of UBC and has an address of 32401 Calle Perfecto, San Juan Capistrano, California 92675.
7. Sterling Trust Company ("Sterling Trust"), is a passive custodian for self-directed individual retirement accounts ("IRAs"),

qualified business retirement plans and non-qualified custodial accounts. Sterling Trust has an address of 1101 Wooded Acres, Suite 120, Waco, Texas 76710.

8. As used herein, the term "Respondents" refers to Brown, Invision Investments, Invision Columbus, and Invision Holdings.
9. An Enforcement Section investigator talked with a sixty-three (63) year-old resident of Richton, Missouri ("MR1"), and MR1's sixty-one (61) year-old spouse ("MR2") who invested through Brown. MR1 and MR2 knew Brown's parents.
10. MR1 and MR2 stated that in or around 2005, Brown told MR1 and MR2, among other things, that:
  - a. Brown needed funds for a real estate investment;
  - b. MR1 and MR2 would receive promissory notes reflecting their investments;
  - c. MR1 and MR2 would receive ten to fifteen percent (10-15%) interest per year on these promissory notes;
  - d. MR1 and MR2 could transfer their individual retirement accounts ("IRAs") to Sterling Trust; and
  - e. MR1 and MR2 could direct Sterling Trust to send money to Brown for the purchase of a promissory note through MR1's or MR2's IRA.
11. MR1 and MR2 received three promissory notes from Brown reflecting MR1's and MR2's investments of fifty-five thousand three hundred dollars (\$55,300):
  - a. in January 2005, MR1 received an Invision Columbus promissory note in the amount of fifteen thousand dollars (\$15,000) signed by Brown. This note was to pay MR1 ten percent (10%) interest per year and was payable in full on January 26, 2006;
  - b. in November 2005, MR2 received an Invision Investments promissory note in the amount of four thousand three hundred dollars (\$4,300) signed by Brown as the president of Invision Investments. The note was to pay MR2 fifteen percent (15%) interest per year and was payable in full on November 19, 2008; and
  - c. in November 2006, MR1 received an Invision Investments promissory note in the amount of thirty-six thousand dollars (\$36,000) signed by Brown as the president of Invision Investments. The note was to pay MR1 twelve percent (12%) interest per year and was payable in full on November 19, 2008.
12. MR1 and MR2 stated that the notes matured with no return of MR1's or MR2's invested funds. MR1 and MR2 did receive some interest payments.
13. MR1 and MR2 contacted Brown regarding this nonpayment and Brown stated, among other things, that due to the housing market Brown was not able to pay MR1 and MR2.
14. On September 19, 2011, MR1 and MR2 received an email from Brown that stated, among other things, that:

"I have now completed the spreadsheet regarding the shares used to-date to collateralize the funds owed to you. This is computed based upon the last completed valuation of [UBC] (in April 2010) of \$460M and the last published quantity of shares issued (at December 31, 2010) of approximately 34M, equating to approximately \$14/share. This includes all original principal plus interest earned through the end of the most recent promissory note, even if that extends into the future. These time frames actually extend well past the operating time of Invision Investments, but I want to make sure everyone is rightly repaid. The amount of shares for your particular investment is as follows:

[MR1]- IRA: 420  
[MR2]- IRA: 420  
[MR1] (cash): 3061  
[MR1] (other): 1029 . . ."
15. MR1 and MR2 stated that they never purchased shares of stock in UBC and did not know that the promissory notes were collateralized by shares of stock in UBC.
16. An Enforcement Section investigator talked with a fifty-three (53) year-old resident of Joplin, Missouri ("MR3"), who invested with Brown. MR3 stated that in or around 2006, Brown told MR3, among other things, that:
  - a. Brown and others were organizing a company, UBC, that would "go public;"
  - b. that UBC stock would go up to fifty dollars (\$50) per share within the first year; and
  - c. MR3 could purchase five thousand (5,000) shares of UBC stock for twelve thousand five hundred dollars (\$12,500).
17. On November 14, 2006, MR3 invested twelve thousand five hundred dollars (\$12,500) in UBC stock. At Brown's direction,

MR3 wrote a check to Invision Investments for the purchase of the UBC stock.

18. MR3 stated that MR3 never received a stock certificate from Brown or Invision Investments reflecting MR3's purchase.
19. An Enforcement Section investigator talked with a forty-four (44) year-old Saint Charles, Missouri, resident ("MR4") who invested with Brown through MR4's Missouri limited liability company ("MC").
20. MR4 stated that in or around 2006, Brown told MR4, among other things, that:
  - a. Brown had approximately one hundred and sixty-five (165) investors in UBC stock;
  - b. UBC stock could be worth one hundred and twenty-five dollars (\$125) per share when UBC went public; and
  - c. MC would see a return on MC's investment in four to six months.
21. From June 2006 to December 2006, MR4 and MC invested six hundred fifty thousand dollars (\$650,000) with Brown:
  - a. in June 2006, MR4 and MC wired four hundred thousand dollars (\$400,000) to Brown and Invision Investments to purchase stock in UBC;
  - b. in July 2006, MR4 and MC wired two hundred thousand dollars (\$200,000) to Brown and Invision Investments to purchase stock in UBC; and
  - c. in December 2006, MR4 and MC sent a check for fifty thousand dollars (\$50,000) to Invision Investments to purchase stock in UBC.
22. From November 2007 to April 2008, MR4 and MC received stock certificates from Brown reflecting that MC owned over one hundred and eighty thousand (180,000) shares of UBC stock.
23. In August 2007, MR4 and MC wired four hundred thousand dollars (\$400,000) to Brown and Invision Investments, to invest in UBC. Brown told MR4 that UBC needed this money to protect UBC's patents. MR4 and MC received a promissory note reflecting the investment.
24. The promissory note stated that MC was to receive six hundred thousand dollars (\$600,000) within fifty-seven (57) days from the date of execution and was signed by Brown in his individual capacity. The note matured without payment of the invested funds.
25. An Enforcement Section investigator talked with a thirty-seven (37) year-old resident of Huntingdon, Tennessee ("TR1") and TR1's thirty-eight (38) year-old spouse ("TR2"). In 2006, TR1 and TR2 invested in UBC stock through Brown. Brown told TR1, among other things, that:
  - a. UBC was a technology company;
  - b. UBC technology was being used by Apple and Microsoft; and
  - c. UBC stock would "go public" within a short period of time.
26. In November 2006, TR1 and TR2 invested twenty thousand dollars (\$20,000) in UBC stock with Brown. At Brown's direction TR1 wrote a check to Invision Investments in Missouri for the purchase of UBC stock.
27. In September 2010, after TR1 and TR2 made several requests for documentation of their purchase of UBC stock, TR1 and TR2 received a stock certificate from Brown. This stock certificate reflected that TR1 owned twenty thousand (20,000) shares of stock in Invision Holdings.
28. During the Enforcement Section's investigation, an investigator received an email that Brown sent to investors on February 28, 2010, which stated, among other things:

"Fellow Investors,

....

Without going into all the details of how/why it has taken so long, I'll try to give you a comprehensive, but short version...Long after I was issued my original unit (stock) certificates . . . I was informed that I could not simply transfer units (and/or shares) to you. Apparently there was a 2-year waiting period (that I was told nothing about upon purchase of the units) due to an SEC restriction. So, after that time period had passed, I was then informed that [UBC] STILL would not accept you all as investors because [UBC] had come too close to approaching the maximum number of investors . . . without becoming a 'reporting company' . . . So, what we have decided to do is as follows: I am using a holding company that I created about 3 years ago to hold shares of [UBC] equal in quantity to the total number of shares purchased by all of you (combined). Then, I am going to issue to each of you certificates of [Invision Holdings] UNTIL SUCH TIME as [UBC] either goes public or is acquired . . ."

29. On June 23, 2011, Brown appeared at the Securities Division for an on-the-record examination by representatives of the Enforcement Section ("Brown OTR"). During the Brown OTR, Brown stated, among other things, that:

- a. Brown was the sole owner and member of Invision Columbus, and Invision Investments;
- b. Brown was the organizer and manager of Invision Holdings;
- c. Invision Investments was to buy and repair residential properties;
- d. most of the investors were Brown's family members or people from the United Pentecostal Church International;
- e. individuals who invested in the real estate side of Invision Investments received promissory notes;
- f. the promissory notes were to pay between ten to twenty-five percent (10-25%) interest per year;
- g. Brown sold approximately two million dollars (\$2,000,000) in promissory notes in Invision Investments;
- h. Brown paid interest to investors in Invision Investments until 2008, when Brown could no longer pay the interest;
- i. in 2006, Brown and Invision Investments purchased investment units from UBC for two hundred dollars (\$200) per unit;
- j. the face value of a unit in UBC was seven hundred dollars (\$700);
- k. Brown began selling units in UBC to family and friends;
- l. "I could sell [UBC units] at any amount that I wanted, I did not want to sell them at face value, so I reduced it from 700 [dollars] to 500 [dollars] and still made - had some profit built in these for Invision [Investments] to pay its bills and run the company but also felt that I was giving a very fair price to those people who had purchased those units;"
- m. UBC merged with other entities and Brown and Invision Investments received restricted stock in UBC for the UBC units;
- n. individuals invested with Invision Investments to purchase shares of UBC stock;
- o. approximately forty (40) of Brown's investors received UBC stock certificates;
- p. Brown did not know if all the investors he solicited to purchase investments in UBC were accredited investors;
- q. Brown had over eighty (80) investors in Invision Investments;
- r. Brown learned that Brown could not sell the restricted UBC stock to investors; and
- s. Brown issued some investors stock certificates in Invision Holdings to provide the investors with some evidence of ownership.

30. On October 13, 2011, Carmichael appeared with his attorney at the Securities Division for an on-the-record examination by representatives of the Enforcement Section ("Carmichael OTR").

31. At the Carmichael OTR, Carmichael provided documents to the Enforcement Section and stated, among other things, the following:

- a. UBC had not solicited investors;
- b. investors came to UBC after hearing about the UBC technology;
- c. UBC sold only to accredited investors;
- d. UBC determined that an investor was accredited by having someone at UBC qualify the investor and/or having the investor sign paperwork stating that the investor was accredited;
- e. there were ten (10) accredited investors from Missouri;
- f. Brown and Invision Investments were investors in UBC from Missouri;
- g. Brown flew to California and met with Carmichael in 2005 or 2006;
- h. Brown met with the board of directors of UBC;
- i. Brown stated that he was going to invest a significant amount of money in UBC;

- j. Brown and Invision Investments invested over three million dollars (\$3,000,000) in UBC stock;
  - k. Brown and/or Invision Investments made the last investment in August of 2007;
  - l. Brown and Invision Investments were not authorized to offer or sell securities in UBC;
  - m. in 2008, Carmichael received a call from MR4 regarding MC's investment, and Carmichael told MR4 that neither MR4 nor MC were shareholders in UBC;
  - n. after learning that Brown was offering and selling stock in UBC, Carmichael and UBC contacted Brown and directed Brown to cease and desist offering and selling UBC stock;
  - o. UBC sent several cease and desist letters to Brown;
  - p. in July of 2008, UBC sent an email informing Brown that Brown had transferred shares of UBC stock without authority and that UBC had cancelled these shares and reissued the shares to Invision Investments; and
  - q. UBC wanted to go public when it was advantageous to UBC, and that Carmichael had never stated any particular period of time in which this would occur.
32. A review of the information obtained by the Enforcement Section revealed that:
- a. Brown received over four million dollars (\$4,000,000) from over eighty (80) investors. At least twenty of these investors were Missouri residents;
  - b. Invision Investments and Brown received over nine hundred thousand dollars (\$900,000) of this total invested amount from investors' IRAs at Sterling Trust;
  - c. Brown sold real estate investments in Invision Columbus and Invision Investments and provided investors with promissory notes;
  - d. Brown, Invision Columbus, and Invision Investments offered and sold investments in UBC;
  - e. Brown and Invision Investors sold investments in Invision Holdings;
  - f. Brown and Invision Investments had a bank account at National City Bank in Cleveland, Ohio ("Invision Investment Account"), on which Brown was an authorized signatory; and
  - g. Brown deposited real estate investor funds and UBC investor funds in the Invision Investment Account.

33. A review of the Invision Investment Account records revealed, among other things, that the following occurred in the account during 2006:

- a. the account had a beginning balance of less than ten thousand dollars (\$10,000);
- b. deposits from investors totaled in excess of one million five hundred thousand dollars (\$1,500,000);
- c. other unidentified deposits and wire transfers into the account totaled in excess of nine hundred thousand dollars (\$900,000);<sup>1</sup>
- d. in excess of fourteen thousand dollars (\$14,000) went to restaurants, fitness centers and retail establishments;

<sup>1</sup> Most of these deposits and wire transfers were in even amounts and were consistent with amounts Brown received from other investors.

- e. in excess of six thousand dollars (\$6,000) went to hotels and travel expenditures;
- f. in excess of forty-five thousand dollars (\$45,000) went to cash, Brown, and members of Brown's family;
- g. in excess of one hundred sixty thousand dollars (\$160,000) went to other entities controlled by Brown;
- h. in excess of one hundred and twenty thousand dollars (\$120,000) went to Brown's entities for payroll expenditures;
- i. in excess of one hundred fifty thousand dollars (\$150,000) went to four investors (two of whom were related to Brown);
- j. in excess of one million dollars (\$1,000,000) was sent to UBC; and
- k. the ending balance was approximately seventy eight thousand dollars (\$78,000).

34. A check of the records maintained by the Commissioner confirmed that Brown has never been registered as an agent in Missouri.
35. A check of the records maintained by the Commissioner confirmed that Invision Investments has never been registered as a broker-dealer in Missouri.
36. A check of the records maintained by the Commissioner confirmed that there was no registration or notice filing indicating status as a "federal covered security" for the investments offered and/or sold by Brown, Invision Columbus, Invision Investments, or Invision Holdings.
37. During the Enforcement Section's investigation, an investigator contacted First American Stock Transfer, Inc. ("FAST"), and received, among other things, information that Invision Holdings had forty-eight (48) stockholders.
38. Brown and Invision Columbus failed to disclose to MR1, among other things:
  - a. that the security offered and/or sold was not registered;
  - b. that Brown was not registered to offer or sell securities in the State of Missouri;
  - c. the specific risks of the investment; or
  - d. the financial condition of Invision Columbus.
39. Brown and Invision Investments failed to disclose to MR1, MR2, MR3, MR4, MC, TR1 and/or TR2, among other things:
  - a. that the securities offered and/or sold were not registered;
  - b. that Brown was not registered to offer and/or sell securities in the State of Missouri;
  - c. the specific risks of the investment;
  - d. how funds obtained from investors would be spent;
  - e. that funds obtained from real estate investments would be commingled with funds obtained from investors who were offered UBC stock; or
  - f. the financial condition of Invision Investments.
40. Brown and Invision Investments failed to disclose to MR3, MR4, MC, TR1 and TR2, among other things:
  - a. that Brown was not authorized by UBC to sell UBC stock;
  - b. that UBC only intended to sell UBC stock to accredited investors;
  - c. that UBC had no formal plans to go public; or
  - d. that Invision Investments was not registered as a broker-dealer.

## **II. STATUTORY PROVISIONS**

41. Section 409.1-102(1), RSMo. (Cum. Supp. 2009), defines "Agent" as "an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities. But a partner, officer, or director of a broker-dealer or issuer, or an individual having a similar status or performing similar functions is an agent only if the individual otherwise comes within the term. The term does not include an individual excluded by rule adopted or order issued under this act."
42. Section 409.1-102(4), RSMo. (Cum. Supp. 2009), defines "Broker-Dealer" as "a person engaged in the business of effecting transactions in securities for the account of others or for the person's own account . . . ."
43. Section 409.1-102(17), RSMo. (Cum. Supp. 2009), defines "Issuer" as "a person that issues or proposes to issue a security . . . ."
44. Section 409.1-102(19), RSMo. (Cum. Supp. 2009), defines "Offer to purchase" as "an attempt to offer to obtain, or solicitation of an offer to sell, a security or interest in a security for value. The term does not include a tender offer that is subject to Section 14(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78n(d))."
45. Section 409.1-102(20), RSMo. (Cum. Supp. 2009), defines "Person" as "an individual; corporation; business trust; estate; trust; partnership; limited liability company; association; joint venture; government; governmental subdivision, agency, or instrumentality; public corporation; or any other legal or commercial entity."

46. Section 409.1-102(26), RSMo. (Cum. Supp. 2009), defines "Sale" as "every contract of sale, contract to sell, or disposition of, a security or interest in a security for value, and 'offer to sell' includes every attempt or offer to dispose of, or solicitation of an offer to purchase, a security or interest in a security for value."

47. Section 409.1-102(28), RSMo. (Cum. Supp. 2009), defines "Security" as "a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value thereof; put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or in general, an interest or instrument commonly known as a 'security'; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing."

48. Section 409.3-301, RSMo. (Cum. Supp. 2009), states:

It is unlawful for a person to offer or sell a security in this state unless:

(1)The security is a federal covered security;

(2)The security, transaction, or offer is exempted from registration under sections 409.2-201 to 409.2-203; or

(3)The security is registered under this act.

49. Section 409.4-401(a), RSMo. (Cum. Supp. 2009), states:

It is unlawful for a person to transact business in this state as a broker-dealer unless the person is registered under this act as a broker-dealer or is exempt from registration as a broker-dealer under subsection (b) or (d).

50. Section 409.4-402(a), RSMo. (Cum. Supp. 2009), states:

It is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this act as an agent or is exempt from registration as an agent under subsection (b).

51. Section 409.4-402(d), RSMo. (Cum. Supp. 2009), states:

It is unlawful for a broker-dealer, or an issuer engaged in offering, selling, or purchasing securities in this state, to employ or associate with an agent who transacts business in this state on behalf of broker-dealers or issuers unless the agent is registered under subsection (a) or exempt from registration under subsection (b).

52. Section 409.5-501, RSMo. (Cum. Supp. 2009), states:

It is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly:

(1)To employ a device, scheme, or artifice to defraud;

(2)To make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading; or

(3)To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

53. Section 409.6-601, RSMo. (Cum. Supp. 2009), states:

(a) This act shall be administered by the commissioner of securities who shall be appointed by and act under the direction of the secretary of state, and shall receive compensation as provided by law.

54. Section 409.6-602, RSMo. (Cum. Supp. 2009), states:

(a)The commissioner may:

(1)Conduct public or private investigations within or outside of this state which the commissioner considers necessary or appropriate to determine whether a person has violated, is violating, or is about to violate this act or a rule adopted or order issued under this act, or to aid in the enforcement of this act or in the adoption of rules and forms under this act;

(2)Require or permit a person to testify, file a statement, or produce a record, under oath or otherwise as the commissioner determines, as to all the facts and circumstances concerning a matter to be investigated or about which an action or proceeding is to be instituted;

(3)Publish a record concerning an action, proceeding, or an investigation under, or a violation of, this act or a rule adopted or order issued under this act if the commissioner determines it is necessary or appropriate in the public interest and for the protection of investors;

...  
(b)For the purpose of an investigation under this act, the commissioner or its designated officer may administer oaths and affirmations, subpoena witnesses, seek compulsion of attendance, take evidence, require the filing of statements, and require the production of any records that the commissioner considers relevant or material to the investigation.

55. Section 409.6-604, RSMo. (Cum. Supp. 2009), states:

(a)If the commissioner determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act or that a person has materially aided . . . an act, practice or course of business constituting a violation of this act . . . the commissioner may:

(1)Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this act;

(2)Issue an order denying, suspending, revoking, or conditioning the exemptions for a broker-dealer under section 409.4-401(b)(1)(D) or (F) or an investment adviser under section 409.4-403(b)(1)(C); or

(3)Issue an order under section 409.2-204.

(b)An order under subsection (a) is effective on the date of issuance. Upon issuance of the order, the commissioner shall promptly serve each person subject to the order with a copy of the order and a notice that the order has been entered. The order must include a statement whether the commissioner will seek a civil penalty or costs of the investigation, a statement of the reasons for the order, and notice that, within fifteen days after receipt of a request in a record from the person, the matter will be scheduled for a hearing. If a person subject to the order does not request a hearing and none is ordered by the commissioner within thirty days after the date of service of the order, the order becomes final as to that person by operation of law. If a hearing is requested or ordered, the commissioner, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend it until final determination.

(c)If a hearing is requested or ordered pursuant to subsection (b), a hearing before the commissioner must be provided. A final order may not be issued unless the commissioner makes findings of fact and conclusions of law in a record in accordance with the provisions of chapter 536, RSMo., and procedural rules promulgated by the commissioner. The final order may make final, vacate, or modify the order issued under subsection (a).

(d)In a final order under subsection (c), the commissioner may:

(1)Impose a civil penalty up to one thousand dollars for a single violation or up to ten thousand dollars for more than one violation;

(2)Order a person subject to the order to pay restitution for any loss, including the amount of any actual damages that may have been caused by the conduct and interest at the rate of eight percent per year from the date of the violation causing the loss or disgorge any profits arising from the violation;

(e)In a final order, the commissioner may charge the actual cost of an investigation or proceeding for a violation of this act or a rule adopted or order issued under this act. These funds may be paid into the investor education and protection fund.

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

#### **Brown and Invision Columbus Offered and Sold an Unregistered, Non-Exempt Security**

56. Paragraphs 1 through 55 are incorporated by reference as though fully set forth herein.

57. In 2005, Respondent Brown and Respondent Invision Columbus offered and sold a promissory note in Invision Columbus to MR1.

58. Respondent Brown and Respondent Invision Columbus offered and sold a security as those terms are defined in Sections 409.1-102(26) and (28), RSMo. (Cum. Supp. 2009).
59. At all times relevant, records maintained by the Commissioner contained no registration, granted exemption, or notice filing indicating status as a "federal covered security" for the security offered and sold by Respondent Brown and Respondent Invision Columbus.
60. Respondent Brown and Respondent Invision Columbus violated Section 409.3-301, RSMo. (Cum. Supp. 2009), when they offered and sold a security in Missouri without the securities being (1) a federal covered security, (2) exempt from registration under Sections 409.2-201 or 409.2-203, RSMo. (Cum. Supp. 2009), or (3) registered under the Missouri Securities Act of 2003.
61. Respondent Brown's and Respondent Invision Columbus' actions of offering and selling a security that was not registered, exempt or a federal covered security constitute an illegal act, practice, or course of business and thus such actions are subject to the Commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2009).

**Brown and Invision Investments Offered and Sold Multiple Unregistered, Non-Exempt Securities**

62. Paragraphs 1 through 55 are incorporated by reference as though fully set forth herein.
63. From 2005 to 2006, Respondent Brown and Respondent Invision Investments offered and sold promissory notes in Invision Investments to MR1 and MR2.
64. Respondent Brown and Respondent Invision Investments offered and sold securities as those terms are defined in Sections 409.1-102(26) and (28), RSMo. (Cum. Supp. 2009).
65. At all times relevant, records maintained by the Commissioner contained no registration, granted exemption, or notice filing indicating status as a "federal covered security" for the promissory notes in Invision Investments or stock in Invision Holdings offered and sold by Respondent Invision Investments and Respondent Brown.
66. Respondent Brown and Respondent Invision Investments violated Section 409.3-301, RSMo. (Cum. Supp. 2009), when they offered and sold securities in Missouri without the securities being (1) a federal covered security, (2) exempt from registration under Sections 409.2-201 or 409.2-203, RSMo. (Cum. Supp. 2009), or (3) registered under the Missouri Securities Act of 2003.
67. Respondent Brown's and Respondent Invision Investments' actions of offering and selling securities that were not registered, exempt or a federal covered security constitute an illegal act, practice, or course of business and thus such actions are subject to the Commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2009).

**Brown and Invision Holdings Offered and Sold Unregistered, Non-Exempt Securities**

68. Paragraphs 1 through 55 are incorporated by reference as though fully set forth herein.
69. In 2006, Respondent Brown and Respondent Invision Holdings sold stock in Invision Holdings from Missouri to TR1 and/or TR2.
70. Respondent Brown and Respondent Invision Holdings sold securities as those terms are defined in Sections 409.1-102(26) and (28), RSMo. (Cum. Supp. 2009).
71. At all times relevant, records maintained by the Commissioner contained no registration, granted exemption, or notice filing indicating status as a "federal covered security" for the securities sold by Respondent Brown and Respondent Invision Holdings.
72. Respondent Brown and Respondent Invision Holdings violated Section 409.3-301, RSMo. (Cum. Supp. 2009), when they sold securities from Missouri without the securities being (1) a federal covered security, (2) exempt from registration under Sections 409.2-201 or 409.2-203, RSMo. (Cum. Supp. 2009), or (3) registered under the Missouri Securities Act of 2003.
73. Respondent Brown's and Respondent Invision Holdings' actions of selling securities that were not registered, exempt or a federal covered security constitute an illegal act, practice, or course of business and thus such actions are subject to the Commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2009).

**Brown Transacted Business as an Unregistered Agent on Multiple Occasions**

74. Paragraphs 1 through 55 are incorporated by reference as though fully set forth herein.
75. At all times relevant, records maintained by the Commissioner contained no registration or granted exemption for Brown to transact business as an agent in the State of Missouri.

76. Respondent Brown violated Section 409.4-402(a), RSMo. (Cum. Supp. 2009), when he offered and/or sold securities to investors in Missouri without being registered or exempt from registration as an agent of Invision Columbus, Invision Investments, or Invision Holdings.
77. Respondent Brown's actions in transacting business as an unregistered agent constitute an illegal act, practice, or course of business and such actions are subject to the Commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2009).

#### **Invision Columbus Employed an Unregistered Agent**

78. Paragraphs 1 through 55 are incorporated by reference as though fully set forth herein.
79. Respondent Invision Columbus employed Respondent Brown, who offered and sold securities on behalf of Respondent Invision Columbus. These activities constitute transacting business in the State of Missouri.
80. At all times relevant, records maintained by the Commissioner contained no registration or granted exemption for Respondent Brown to transact business as an agent in the State of Missouri.
81. Respondent Invision Columbus violated Section 409.4-402(d), RSMo. (Cum. Supp. 2009), when it employed an unregistered agent who transacted business in the State of Missouri.
82. Respondent Invision Columbus' actions of employing an unregistered agent who transacted business in this state constitute an illegal act, practice, or course of business and thus such actions are subject to the commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2009).

#### **Invision Investments Employed an Unregistered Agent**

83. Paragraphs 1 through 55 are incorporated by reference as though fully set forth herein.
84. Respondent Invision Investments employed Respondent Brown, who offered and sold securities on behalf of Invision Investments. These activities constitute transacting business in the State of Missouri.
85. At all times relevant, records maintained by the Commissioner contained no registration or granted exemption for Respondent Brown to transact business as an agent in the State of Missouri.
86. Respondent Invision Investments violated Section 409.4-402(d), RSMo. (Cum. Supp. 2009), when it employed an unregistered agent who transacted business in the State of Missouri.
87. Respondent Invision Investments' actions of employing an unregistered agent who transacted business in this state constitute an illegal act, practice, or course of business and thus such actions are subject to the commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2009).

#### **Invision Holdings Employed an Unregistered Agent**

88. Paragraphs 1 through 55 are incorporated by reference as though fully set forth herein.
89. At all times relevant, Respondent Invision Holdings employed Respondent Brown, who sold securities on behalf of Invision Holdings. These activities constitute transacting business in the State of Missouri.
90. At all times relevant, records maintained by the Commissioner contained no registration or granted exemption for Respondent Brown to transact business as an agent in the State of Missouri.
91. Respondent Invision Holdings violated Section 409.4-402(d), RSMo. (Cum. Supp. 2009), when it employed an unregistered agent who transacted business in the State of Missouri.
92. Respondent Invision Holdings' actions of employing an unregistered agent who transacted business in this state constitute an illegal act, practice, or course of business and thus such actions are subject to the commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2009).

#### **Invision Investments Transacted Business as an Unregistered Broker-Dealer on Multiple Occasions**

93. Paragraphs 1 through 55 are incorporated by reference as though fully set forth herein.
94. From 2006 to 2010, Respondent Invision Investments effected and/or attempted to effect purchases or sales of securities in UBC and/or Invision Holdings to MR3, MR4, MC, TR1 and/or TR2.
95. At all times relevant, records maintained by the Missouri Commissioner of Securities contained no registration or granted exemption for Respondent Invision Investments to transact business as a broker-dealer in or from the State of Missouri.
96. Respondent Invision Investments violated Section 409.4-401(a), RSMo. (Cum. Supp. 2009), when it effected and/or

attempted to effect purchases or sales of securities from the State of Missouri without being registered or exempt from registration as a broker-dealer.

97. Respondent Invision Investments' actions in transacting business as an unregistered broker-dealer constitute an illegal act, practice, or course of business and thus such actions are subject to the commissioner's authority under Section 409.6-604(a), RSMo. (Cum. Supp. 2009).

**Brown and Invision Columbus Omitted to State Material Facts in Connection with the Offer or Sale of a Security**

98. Paragraphs 1 through 55 are incorporated by reference as though fully set forth herein.
99. In connection with the offer, sale and/or purchase of a security, Respondent Brown and Respondent Invision Columbus omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading, including failing to disclose to MR1:
- a. that the security offered and sold was not registered;
  - b. that Brown was not registered to offer or sell securities in the State of Missouri;
  - c. the specific risks of the investment; and/or
  - d. the financial condition of Invision Columbus.
100. Respondent Brown and Respondent Invision Columbus violated Section 409.5-501, RSMo. (Cum. Supp. 2009), when they omitted to state necessary material facts in connection with the offer or sale of a security.
101. Respondent Brown's and Respondent Invision Columbus' actions in omitting to state material facts constitute illegal acts, practices, or courses of business and thus such actions are subject to the Commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2009).

**Brown, Invision Investments, and Invision Holdings Omitted to State Material Facts or Engaged 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**

102. Paragraphs 1 through 55 are incorporated by reference as though fully set forth herein.
103. In connection with the offer and/or sale of a security, Respondents Brown and Invision Investments omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading, including failing to disclose to MR1, MR2, MR4, MC, TR1 and/or TR2:
- a. that the securities offered and/or sold were not registered;
  - b. that Brown was not registered to offer or sell securities in the State of Missouri;
  - c. that funds obtained from real estate investments would be commingled with funds obtained from investors who were offered UBC stock;
  - d. how funds obtained from investors would be spent; or
  - e. the specific risks of the investment.
104. In connection with the offer and/or sale of a security, Respondents Brown and Invision Investments omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading, including failing to disclose to MR3, MR4, MC, TR1 and/or TR2:
- a. that Brown was not authorized by UBC to sell UBC stock;
  - b. that UBC only intended to sell UBC stock to accredited investors;
  - c. that UBC had no formal plans to go public; or
  - d. that Invision Investments was not registered as a broker-dealer.
105. In connection with the offer and sale of a security, Respondents Brown, Invision Investments, and Invision Holdings engaged in an act, practice, or course of business that would operate as a fraud or deceit upon TR1 and TR2 by, among other things:
- a. soliciting investments in UBC stock without authority;
  - b. directing investors to write checks to Invision Investments to purchase UBC stock; or

- c. sending TR1 and TR2 stock certificates in Invision Holdings.
- 106. Respondents Brown and Invision Investments violated Section 409.5-501, RSMo. (Cum. Supp. 2009), when: a) they omitted to state necessary material facts; and b) they engaged in an act, practice or course of business that operated as a fraud or deceit upon investors, in connection with the offer or sale of a security.
- 107. Respondent Invision Holdings violated Section 409.5-501, RSMo. (Cum. Supp. 2009), when it engaged in an act, practice or course of business that operated as a fraud or deceit upon investors in connection with the offer or sale of a security.
- 108. The actions of Respondents Brown, Invision Investments, and Invision Holdings in omitting to state material facts, and/or engaging in an act, practice or course of business that operated as a fraud or deceit, constitute illegal acts, practices, or courses of business and thus such actions are subject to the Commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2009).
- 109. This 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), RSMo. (Cum. Supp. 2009).

#### **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. violating or materially aiding in any violation of Section 409.3-301, RSMo. (Cum. Supp. 2009), by offering or selling any securities as defined by Section 409.1-102(28), RSMo. (Cum. Supp. 2009), 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. violating or materially aiding in any violation of Section 409.4-401(a), RSMo. (Cum. Supp. 2009), by transacting business as an unregistered broker-dealer;
- C. violating or materially aiding in any violation of Section 409.4-402(a), RSMo. (Cum. Supp. 2009), by transacting business as an unregistered agent;
- D. violating or materially aiding in any violation of Section 409.4-402(d), RSMo. (Cum. Supp. 2009), by employing an unregistered agent; and
- E. violating or materially aiding in any violation of Section 409.5-501, RSMo. (Cum. Supp. 2009), by, in connection with the offer or sale of securities, omitting to state a material fact necessary in order to make statements made, in light of the circumstances under which they are 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)(1), RSMo. (Cum. Supp. 2009), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000) against Respondent Brown for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2009), in a final order, unless Respondent Brown requests a hearing and shows cause why the penalties should not be imposed.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604(d)(1), RSMo. (Cum. Supp. 2009), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000) against Respondent Invision Investments for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2009), in a final order, unless Respondent Invision Investments requests a hearing and shows cause why the penalties should not be imposed.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604(d)(1), RSMo. (Cum. Supp. 2009), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to one thousand dollars (\$1,000) against each of Respondent Invision Columbus and Respondent Invision Holdings for violation of Section 409.3-301, RSMo. (Cum. Supp. 2009), in a final order, unless Respondent Invision Columbus and Respondent Invision Holdings request a hearing and show cause why the penalties should not be imposed.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604(d)(1), RSMo., (Cum. Supp. 2009), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000) against Respondent Invision Investments for multiple violations of Section 409.4-401(a), RSMo. (Cum. Supp. 2009), in a final order, unless Respondent Invision Investments requests a hearing and shows cause why the penalty should not be imposed.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604(d)(1), RSMo. (Cum. Supp. 2009), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000) against Respondent Brown for multiple violations of Section 409.4-402(a), RSMo. (Cum. Supp. 2009), in a final order, unless Respondent Brown requests a hearing and shows cause why the penalties should not be imposed.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604(d)(1), RSMo. (Cum. Supp. 2009), the Commissioner will

determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to one thousand dollars (\$1,000) against each of Respondent Invision Columbus, Respondent Invision Investments, and Respondent Invision Holdings for violation of Section 409.4-402(d), RSMo. (Cum. Supp. 2009), in a final order, unless Respondent Invision Columbus, Respondent Invision Investments, and Respondent Invision Holdings request a hearing and show cause why the penalty should not be imposed.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604(d)(1), RSMo. (Cum. Supp. 2009), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000) against each Respondent for multiple violations of Section 409.5-501, RSMo. (Cum. Supp. 2009), in a final order, unless Respondents request a hearing and show cause why the penalties should not be imposed.

**IT IS FURTHER ORDERED** that, as the Enforcement Section has petitioned for an order of restitution, the Commissioner will determine whether to order Respondents to pay restitution for any loss, possibly to include the amount of any actual damages that may have been caused by the conduct of Respondents, and interest at the rate of eight percent per year from the date of the violation causing the loss, or disgorge any profits, arising from the violation of Sections 409.3-301, 409.4-402, and 409.5-501, RSMo. (Cum. Supp. 2009), after review of evidence submitted by the Enforcement Section, in a final order, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2009), unless Respondents request a hearing and show cause why this restitution or disgorgement should not be imposed.

**IT IS FURTHER ORDERED** that, as the Enforcement Section has petitioned for an award for the costs of the investigation against Respondents in this proceeding the commissioner will issue a final order, pursuant to Section 409.6-604(e), RSMo. (Cum. Supp. 2009), awarding an amount to be determined after review of evidence submitted by the Enforcement Section, unless Respondents request a hearing and show cause why such award should not be made.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 21<sup>ST</sup> DAY OF NOVEMBER, 2011.

ROBIN CARNAHAN  
SECRETARY OF STATE

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

State of Missouri  
Office of Secretary of State

Case No. AP-11-27

IN THE MATTER OF:

KEVIN M. BROWN;  
INVISION INVESTMENTS OF COLUMBUS, LLC;  
INVISION INVESTMENTS OF ST. LOUIS, LLC; AND  
INVISION HOLDINGS LLC,

Respondents.

Serve: KEVIN M. BROWN at:  
2020 Dardenne Valley Drive  
O'Fallon, Missouri 63368

INVISION INVESTMENTS OF COLUMBUS, LLC  
A.G.C. Company, Registered Agent at:  
65 East State Street, Suite 2100  
Columbus, Ohio 43215

INVISION INVESTMENTS OF ST. LOUIS, LLC  
Kevin M. Brown, Registered Agent at:  
1360 South Fifth Street, Suite 346  
St. Charles, Missouri 63301

INVISION HOLDINGS LLC

Kevin M. Brown, Registered Agent at:  
2020 Dardenne Valley Drive  
O'Fallon, Missouri 63368

**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. (Cum. Supp. 2009), and 15 CSR 30-55.020.

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 hearing.

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

**Matthew D. Kitzi, 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 21<sup>st</sup> day of November, 2011, 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:**

Kevin M. Brown  
2020 Dardenne Valley Drive  
O'Fallon, Missouri 63368

Invision Investments of Columbus, LLC  
A.G.C. Company, Registered Agent at:  
65 East State Street, Suite 2100  
Columbus, Ohio 43215

Invision Investments of St. Louis, LLC  
Kevin M. Brown, Registered Agent at:  
1360 South Fifth Street, Suite 346,  
St Charles, Missouri 63301

Invision Holdings LLC  
Kevin M. Brown, Registered Agent at:  
2020 Dardenne Valley Drive  
O'Fallon, Missouri 63368

**And hand-delivered to:**

Mary Hosmer  
Assistant Commissioner  
Missouri Securities Division

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John Hale, Specialist