

State of Missouri
Office of Secretary of State

Case No. AP-12-27

IN THE MATTER OF:

SECTION 8 CREATIONS, INC.;
JAG DISTRIBUTION;
AND ANTONIO PATRICK,

Respondents.

Serve: Section 8 Creations, Inc. at:
1373 South Orange Drive
Los Angeles, California 90019

Serve: JAG Distribution at:
28015 Smyth Drive
Santa Clarita, California 91355

Serve: Antonio Patrick at:
1373 South Orange Drive
Los Angeles, California 90019

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

On August 29, 2012, the Enforcement Section of the Securities Division of the Office of Secretary of State (the "Enforcement Section"), through 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. Section 8 Creations, Inc. ("Section 8"), is a California corporation located at 1373 South Orange Drive, Los Angeles, California 90019. Section 8 was first registered with the State of California on October 2, 2003, and its status is currently suspended. Section 8's registered agent is Antonio Patrick, 1373 South Orange Drive, Los Angeles, California 90019. Section 8 was never registered as a corporation with the Missouri Secretary of State.
2. JAG Distribution ("JAG"), is a California corporation that registered on September 10, 2009. JAG's corporate status with the State of California is suspended. JAG's registered agent is Presidential Services Incorporated, 28015 Smyth Drive, Santa Clarita, California 91355. JAG was never registered as a corporation with the Missouri Secretary of State.
3. Antonio Patrick ("Patrick") is the sole owner of JAG and Section 8 and has an address of 1373 South Orange Drive, Los Angeles, California 90019.
4. Mona Vie, Inc. ("Mona Vie"), is a Utah corporation organized on April 1, 2005, and located at 10855 South River Front Parkway, Suite 100, South Jordan, Utah 84095. Mona Vie's registered agent is Graden P. Jackson of Strong & Hanni, 9350 South 150 East, Suite 820, Sandy, Utah 84070. Mona Vie is a multi-level marketing company that offers nutritional products through retail distributors. Distributors earn money through sales of these nutritional products and by recruiting others to become distributors in Mona Vie. Distributors who make sales every month can also earn bonuses and up to ten percent (10%) of the sales by their recruits.
5. A check of the records maintained by the Commissioner indicates that at all times relevant to this matter, Patrick was not registered as a broker-dealer agent, investment adviser representative or issuer agent in the State of Missouri.
6. A check of the records maintained by the Commissioner indicates 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 any securities offered and sold by Section 8 and Patrick.
7. As used herein, the term "Respondents" refers to Patrick, Section 8, and JAG.
8. From July 19, 2010 to November 2011, the Enforcement Section interviewed and received documents from a forty-three (43) year-old Saint Peters, Missouri resident ("MR"). A review of this information revealed, among other things, that:
 - a. in September 2009, MR learned of an investment opportunity with Patrick. MR contacted Patrick via both telephone

and email. Patrick told MR, among other things, the following:

- i. the investment was in a residual income program (“Residual Income Program”);
 - ii. there were no risks with an investment in the Residual Income Program;
 - iii. MR’s money would be invested in a “health care company”;
 - iv. MR would earn weekly profits from the Residual Income Program;
 - v. Patrick had other investors in the Residual Income Program; and
 - vi. MR could get MR’s investment money back at any time;
- b. on October 10, 2009, Patrick sent MR instructions to wire MR’s investment funds to a Bank of America account for JAG in Los Angeles, California (“JAG Account”) to invest in the Residual Income Program;
- c. on October 10, 2009, MR signed a Residual Income Program agreement (“Agreement”) with Patrick and Section 8 that stated, among other things, the following:
- i. Patrick was the manager for the Residual Income Program through Section 8;
 - ii. MR’s funds would be deposited into Section 8 and would “then be put into [the] Residual Income Program”;
 - iii. MR would see “a growth in profits each week” and
 - iv. MR would “gain access to valuable confidential information, knowledge, trade secrets and compilations of proprietary information”;
- d. on October 13, 2009, MR invested one hundred fifty thousand dollars (\$150,000) with Patrick and Section 8 in the Residual Income Program by wiring MR’s funds to the JAG Account;
- e. on October 14, 2009, Patrick told MR that MR’s funds were invested in Mona Vie, a multi-level marketing company that sold nutritional products;
- f. on October 15, 2009, MR demanded that Patrick return MR’s invested funds;
- g. on October 15, 2009, Patrick emailed MR and stated, among other things, that:
- i. the investment in Mona Vie would make thirty-five to fifty percent (35-50%) return in the first month; and
 - ii. “You don’t have to sell . . . I have a network of 10,000 strong”;
- h. on October 15, 2009, MR decided to leave MR’s funds with Patrick and Section 8;
- i. on or before December 2009, MR received one (1) payment of one thousand two hundred dollars (\$1,200) from MR’s investment with Patrick and Section 8; and
 - j. MR has received no other funds from Patrick, Section 8, JAG and/or Mona Vie.
9. Between November 4, 2011 and July 24, 2012, an investigator with the Enforcement Section spoke with and received information from Patrick. This information revealed, among other things, that:
- a. Patrick was the program manager on the Residual Income Program;
 - b. Patrick told MR about the Residual Income Program and MR signed a contract with Patrick and Section 8 to invest in the Residual Income Program;
 - c. on October 13, 2009, MR invested one hundred fifty thousand dollars (\$150,000) with Patrick and Section 8 by wiring funds to the JAG Account;
 - d. Patrick did not disclose to MR that Patrick was going to invest MR’s funds in Mona Vie;
 - e. Patrick was a distributor with Mona Vie and was paid commissions on sales Patrick made through Mona Vie;
 - f. Patrick created the contract MR signed by using parts of Mona Vie’s contract;
 - g. after MR signed the contract and invested with Patrick, Patrick told MR about Mona Vie;
 - h. Mona Vie was not aware of the Residual Income Program contract created by Patrick;

- i. all of MR's investment money went to Mona Vie;
 - j. MR requested a refund of MR's investment with Patrick;
 - k. Patrick has not refunded any money to MR;
 - l. Patrick spoke to approximately forty (40) people about getting involved with Mona Vie;
 - m. MR was the only person to invest with Patrick and Section 8; and
 - n. Patrick could generate a list of ten thousand (10,000) people from the internet and anyone would invest in Mona Vie if they didn't have to do anything and receive free money.
10. On March 26, 2012, Mona Vie provided information to the Enforcement Section regarding sales by Patrick. A review of Mona Vie's response revealed, among other things, that after MR's investment Patrick's purchases at Mona Vie totaled less than one hundred and twenty thousand dollars (\$120,000).¹
11. In connection with the offer and/or sale of securities in Missouri, Patrick and Section 8 failed to disclose to MR, among other things, that:
- a. Patrick was not registered to offer or sell securities in the State of Missouri;
 - b. the securities offered and/or sold were not registered;
 - c. there were risks associated with the investment in the Residual Income Program;
 - d. MR's money would be invested with Mona Vie;
 - e. Mona Vie was not aware of the Residual Income Program; and/or
 - f. financial information to support the claim that MR would make between thirty-five and fifty percent (35-50%) return in the first month through the investment.
12. In connection with the offer and/or sale of securities in Missouri, Patrick and Section 8 made an untrue statement to MR that:
- a. MR could withdraw MR's funds at any time; and/or
 - b. there were other investors in the Residual Income Program.

II. STATUTORY PROVISIONS

13. Section 409.1-102(1), RSMo. (Cum. Supp. 2011), 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."
- ¹¹ Upon information and belief, Patrick, Section 8, and/or JAG retained the remaining investment funds from MR.
14. Section 409.1-102(25), RSMo. (Cum. Supp. 2011), defines "Record" as "information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form."
15. Section 409.1-102(26), RSMo. (Cum. Supp. 2011), 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."
16. Section 409.1-102(17), RSMo. (Cum. Supp. 2011), defines "Issuer" as "a person that issues or proposes to issue a security"
17. Section 409.1-102(28), RSMo. (Cum. Supp. 2011), defines "Security" as "a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest of 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. The term . . .

(D)Includes as an "investment contract" an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor and a "common enterprise" means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors; and

(E)May include as an "investment contract", among other contracts, an interest in a limited partnership and a limited liability company and an investment in a viatical settlement or similar agreement.â€

18. 409.3-301, RSMo. (Cum. Supp. 2011), 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.

19. Section 409.4-402(a), RSMo. (Cum. Supp. 2011), 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).

20. Section 409.4-402(d), RSMo. (Cum. Supp. 2011), 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).

21. Section 409.5-501, RSMo. (Cum. Supp. 2011), 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.

22. Section 409.6-601(a), RSMo. (Cum. Supp. 2011), states:

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.

23. Section 409.6-602, RSMo. (Cum. Supp. 2011), 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.

24. Section 409.6-604, RSMo. (Cum. Supp. 2011), 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) 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) 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;

(3) In addition to any civil penalty otherwise provided by law, impose an additional civil penalty not to exceed five thousand dollars for each such violation if the commissioner finds that a person subject to the order has violated any provision of this act and that such violation was committed against an elderly or disabled person. For purposes of this section, the following terms mean:

(A) "Disabled person"™, a person with a physical or mental impairment that substantially limits one or more of the major life activities of such individual, a record of such impairment, or being regarded as having such an impairment;

(B) "Elderly person"™, a person sixty years of age or older.

(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.

25. Section 409.6-605(b), RSMo. (Cum. Supp. 2011), provides that an order may not be issued unless the commissioner finds it to be necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes intended by the Missouri Securities Act of 2003.

III. CONCLUSIONS OF LAW

Multiple Violations of Offering and Selling Unregistered, Non-Exempt Securities

26. Paragraphs 1 through 25 are incorporated by reference as though fully set forth herein.
27. Respondent Section 8 and Respondent Patrick offered and sold a security as those terms are defined in Sections 409.1-102(26) and (28), RSMo. (Cum. Supp. 2011).
28. An "investment contract" is enumerated in the list of items that are securities in Section 409.1-102(28), RSMo. (Cum. Supp. 2011). The investments Respondents offered and sold to MR are investment contracts, in that:
 - a. MR invested funds in the Residual Income Program through Section 8;
 - b. MR's funds were to be used by Section 8 and Patrick to earn profits each week;
 - c. MR expected a profit from the activities of Section 8 and Patrick; and
 - d. MR's expected profits were interwoven with and dependent upon the efforts of Section 8 and Patrick.
29. A check of the records maintained by the Commissioner indicates 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 securities offered and sold by Respondent Section 8 and Respondent Patrick.
30. Respondent Section 8 and Respondent Patrick violated Section 409.3-301, RSMo. (Cum. Supp. 2011), when they offered and sold securities in Missouri without these securities being (1) a federal covered security, (2) exempt from registration under Sections 409.2-201 or 409.2-203, RSMo. (Cum. Supp. 2011), or (3) registered under the Missouri Securities Act of 2003.
31. Respondent Section 8 and Respondent Patrick's actions in offering and selling unregistered securities constitutes 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. 2011).
32. Respondent JAG materially aided the acts, practices, or courses of business of Respondent Section 8 and Respondent Patrick which constituted violations of Section 409.3-301, RSMo. (Cum. Supp. 2011), by among other things, the following:
 - a. allowing Patrick and Section 8 to use the JAG Account for the receipt of MR's investment funds; and/or
 - b. allowing Patrick and Section 8 to distribute a portion of MR's invested funds in the Residual Income Program to Mona Vie.
33. Respondent JAG violated Section 409.3-301, RSMo. (Cum. Supp. 2011), by materially aiding Respondent Section 8 and Respondent Patrick in their violations of the same Section as described in paragraphs 27 to 30, above.
34. Respondent JAG's actions in materially aiding Respondent Section 8's and Respondent Patrick's actions in offering and selling unregistered securities 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. 2011).

Transacting Business as an Unregistered Agent

35. Paragraphs 1 through 25 are incorporated by reference as though fully set forth herein.
36. A check of the records maintained by the Commissioner indicates that at all times relevant to this matter, Respondent Patrick was not registered as a securities agent in the State of Missouri.
37. Respondent Patrick violated Section 409.4-402(a), RSMo. (Cum. Supp. 2011), when he offered and/or sold securities to an investor in Missouri without being registered or exempt from registration as an agent.
38. Respondent Patrick's actions in transacting business as an unregistered agent 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. 2011).

Employing an Unregistered Agent

39. Paragraphs 1 through 25 are incorporated by reference as though fully set forth herein.
40. Respondent Section 8 employed Respondent Patrick who transacted business in the Residual Income Program on behalf of Respondent Section 8. These activities constitute transacting business in the State of Missouri.
41. A check of the records maintained by the Commissioner indicates that at all times relevant to this matter, Respondent Section 8 had no registration or granted exemption for any agents of Respondent Section 8 to transact business in the State of Missouri.
42. Respondent Section 8 violated Section 409.4-402(d), RSMo. (Cum. Supp. 2011), when Respondent Section 8 employed an unregistered agent who transacted business in the State of Missouri.

43. Respondent Section 8's action of employing an unregistered agent who transacted business in this state constitutes an illegal act, practice, or course of business and thus such action is therefore subject to the commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2011).

Multiple Violations of Making an Untrue Statement, or Omitting to State Material Facts in Connection with the Offer or Sale of a Security

44. Paragraphs 1 through 25 are incorporated by reference as though fully set forth herein.

45. In connection with the offer, sale or purchase of a security, Respondent Section 8 and Respondent Patrick 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, but not limited to:

- a. that Patrick was not registered to offer or sell securities in the State of Missouri;
- b. that the securities offered and/or sold were not registered;
- c. that there were risks associated with the investment in the Residual Income Program;
- d. that MR's money would be invested with Mona Vie;
- e. that Mona Vie was not aware of the Residual Income Program; and/or
- f. financial information to support the claim that MR would make between thirty-five to fifty percent (35-50%) return in the first month through the investment.

46. In connection with the offer, sale or purchase of a security, Respondent Section 8 and Respondent Patrick made untrue statements of material fact including, but not limited to, that:

- a. MR could withdraw MR's funds at any time; and/or
- b. there were other investors in the Residual Income Program;

47. Respondent Section 8 and Respondent Patrick violated Section 409.5-501, RSMo. (Cum. Supp. 2011), when they made untrue statements or omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading.

48. The actions of Respondent Section 8 and Respondent Patrick in making untrue statements or 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. 2011).

49. 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. 2011).

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. 2011), by offering or selling any securities as defined by Section 409.1-102(28), RSMo. (Cum. Supp. 2011), 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 409.4-402(a), RSMo. (Cum. Supp. 2011), by transacting business as an unregistered agent;
- C. violating or materially aiding in any violation of Section 409.4-402(d), RSMo. (Cum. Supp. 2011), by employing an unregistered agent;
- D. violating or materially aiding in any violation of Section 409.5-501, RSMo. (Cum. Supp. 2011), 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 statements made, in light of the circumstances under which it is made, not misleading.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2011), 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, or materially aiding multiple violations, of Section 409.3-301, RSMo. (Cum. Supp. 2011), in a final order, unless Respondents 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), RSMo. (Cum. Supp. 2011), 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 Respondent Patrick for violation of Section 409.4-402(a), RSMo. (Cum. Supp. 2011), in a final order, unless Respondent Patrick 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), RSMo. (Cum. Supp. 2011), 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 Respondent Section 8 for violation of Section 409.4-402(d), RSMo. (Cum. Supp. 2011), in a final order, unless Respondent Section 8 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), RSMo. (Cum. Supp. 2011), 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 of Respondent Section 8 and Respondent Patrick for multiple violations of Section 409.5-501, RSMo. (Cum. Supp. 2011), in a final order, unless Respondent Section 8 and Respondent Patrick requests a hearing and shows cause why the penalty 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 the Respondents, and interest at the rate of eight percent (8%) 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. 2011), after review of evidence submitted by the Enforcement Section, in a final order, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2011), 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. 2011), 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 5th DAY OF SEPTEMBER, 2012.

ROBIN CARNAHAN
SECRETARY OF STATE

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

State of Missouri
Office of Secretary of State

Case No. AP-12-27

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JAG DISTRIBUTION;
AND ANTONIO PATRICK,

Respondents.

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28015 Smyth Drive
Santa Clarita, California 91355

Serve: Antonio Patrick at:
1373 South Orange Drive
Los Angeles, California 90019

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. 2011), 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. Kitz, 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 5th day of September, 2012, a copy of the foregoing Order to Cease and Desist in the above styled case was **mailed by certified U.S. mail to:**

Section 8 Creations, Inc.
1373 South Orange Drive
Los Angeles, California 90019

JAG Distribution
28015 Smyth Drive
Santa Clarita, California 91355

Antonio Patrick
1373 South Orange Drive
Los Angeles, California 90019

And via hand-delivery to:

Mary S. Hosmer
Assistant Commissioner
Missouri Securities Division

John Hale, Specialist