



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
SECTION 8 CREATIONS, INC.)
AND ANTONIO PATRICK,) Case No. AP-12-27
)
Respondents.)

**FINAL ORDER TO CEASE AND DESIST AND ORDER
AWARDING RESTITUTION AND COSTS, AND IMPOSING CIVIL PENALTIES**

On June 24, 2014, 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 a final order in the above-referenced matter. After reviewing that petition and this case's procedural history, the Commissioner now issues the following final order.

I. RESPONDENTS AND OTHER ENTITIES

(a) Respondents

1. Section 8 Creations, Inc. ("Section 8"), is a California corporation located at 1373 South Orange Drive, Los Angeles, California 90019. Section 8's corporate status in California 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. 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.
3. 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.
4. 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 or sold by

Section 8 and Patrick.

5. As used herein, the term *Respondents* refers to Patrick and Section 8.

(b) Other Parties

6. 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.
7. 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 10% of the sales by their recruits.

II. PROCEDURAL BACKGROUND

8. On August 29, 2012, the Enforcement Section, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed (the “Petition”) in the above-styled matter.
9. On September 5, 2012, the Commissioner issued an Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed against Respondents (the “September 5, 2012 order”).
10. On September 5, 2012, a representative of the Commissioner mailed a copy of the September 5, 2012 order to JAG at 28015 Smyth Drive, Santa Clarita, California 91355. On September 14, 2012, the Securities Division received the certified return receipt signed by Eva Onesto, acknowledging receipt of delivery of the September 5, 2012 order on September 10, 2012.
11. On September 5, 2012, a representative of the Commissioner mailed a copy of the September 5, 2012 order to Section 8 at 1373 South Orange Drive, Los Angeles, California 90019. On October 19, 2012, the Securities Division received the mailed copy of the order back with a label stamp stating “Unclaimed.”
12. On September 5, 2012, a representative of the Commissioner mailed a copy of the September 5, 2012 order to Patrick at 1373 South Orange Drive, Los Angeles, California 90019. On October 2, 2012, the Securities Division received the envelope containing the

September 5, 2012 order back with a label stamp stating: “Unclaimed” and “Attempted – Not Known.”

13. On October 3, 2012, a representative of the Commissioner mailed a copy of the September 5, 2012 order to Patrick, 18653 Ventura Blvd. 256, Tarzana, California 91356-4103. On November 19, 2012, the Securities Division received this mailing back as “Undeliverable as Addressed – no Forwarding Order on File.”
14. On October 3, 2012, a representative of the Commissioner mailed a copy of the September 5, 2012 order to Patrick at 1256 Tamarind Ave. Apt. 12, Los Angeles, California 90038-1955. On November 13, 2012, the Securities Division received the mailing back as “Attempted, Not Known.”
15. On October 3, 2012, a representative of the Commissioner mailed a copy of the September 5, 2012 order to Patrick at 3925 Ceanothus Pl. Apt. H, Calabasas, California 91302-2980. On November 9, 2012, the Securities Division received the mailing back as “Not Deliverable as Addressed, Unable to Forward.”
16. On October 23, 2012, a representative of the Commissioner mailed a copy of the September 5, 2012 order to Sheriff of the Los Angeles County sheriff’s office in Beverly Hills, California, requesting that the copy of the Order be personally served upon Antonio Patrick at 1373 S. Orange Drive, Los Angeles, California 90019. On December 18, 2013, the Securities Division received the “Sheriff’s Return of Service – Cease and Desist Order” acknowledging that on November 21, 26, December 4 and 10, 2012, the Los Angeles County sheriff’s office attempted to make personal service upon Patrick by delivering a copy of the September 5, 2012 order to him.
17. On March 4, 2013, a representative of the Commissioner mailed a copy of the September 5, 2012 order to the Yolo County sheriff’s office in Woodland, California, requesting that the copy of the Order be personally served upon Patrick at 415 Woodhaven Place, West Sacramento, California 95605. On April 30, 2013, the Securities Division received the “Sheriff’s Return of Service – Cease and Desist Order” acknowledging that on April 3, 5, 9, 12, 13 and 14, 2013, the Yolo County sheriff’s office attempted to make personal service upon Patrick by delivering a copy of the September 5, 2012 order to him.
18. On August 6, 2013, and pursuant to Section 409.6-611 RSMo. (Cum. Supp. 2012),¹ the Commissioner was provided with a copy of the process in this matter on behalf of Respondents.
19. On August 6, 2013, the Commissioner mailed, with return receipt requested, to Patrick at 1373 South Orange Drive, Los Angeles, California 90019, the following:
 - a. a notice of the service of process upon the Commissioner on behalf of Respondents;

¹ Unless otherwise noted, all statutory references are to the 2012 cumulative supplement to the Revised Statutes of Missouri.

- b. a copy of the process on the Commissioner for Section 8, JAG, and Patrick; and
 - c. an affidavit of compliance with Section 409.6-611.
20. The requested return receipt ended in the numbers 7407.
21. On October 2, 2013, the Securities Division received the envelope containing the September 5, 2012 order with a return receipt ending in 7407 with a handwritten note stating: "Return to Sender," "8/9" with unidentifiable initials, "8/14" with the initials "RTM," and "8/24."
22. On August 6, 2013, the Commissioner sent by UPS to Section 8 at 1373 South Orange Drive, Los Angeles, California 90019, the following:
- a. a notice of the service of process upon the Commissioner on behalf of Respondents;
 - b. a copy of the process on the Commissioner for Section 8, JAG, and Patrick; and
 - c. an affidavit of compliance with Section 409.6-611.
23. This package's tracking information indicated that, on August 12, 2013, it was left at the address's front door.
24. On August 6, 2013, the Commissioner sent by UPS to JAG at 28015 Smyth Drive, Santa Clarita, California 91355, the following:
- a. a notice of the service of process upon the Commissioner on behalf of Respondents;
 - b. a copy of the process on the Commissioner for Section 8, JAG, and Patrick; and
 - c. an affidavit of compliance with Section 409.6-611.
25. This package's tracking information indicated that, on August 12, 2013, it was signed for by "reception" "Eva."
26. Respondent Patrick had information about the Enforcement Section's investigation. Between November 2011 and July 2012, an Enforcement Section investigator spoke with and received information from Patrick regarding investigation into Patrick, his companies, Section 8, and JAG.
27. In addition, since September 2012, the Order has been posted on the Missouri Secretary of State's website and available for public viewing.

III. FINDINGS OF FACT

28. From July 19, 2010, to November 2011, the Enforcement Section interviewed and received documents from a 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 e-mail. 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 \$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 35 to 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. in or before December 2009, MR received one payment of \$1,200 from MR’s investment with Patrick and Section 8; and
 - j. MR has received no other funds from Patrick, Section 8, JAG, or Mona Vie.
29. 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 \$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 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 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."
30. 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 \$120,000.
31. In connection with the offer 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 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; or
 - f. financial information to support the claim that MR would make a 35 to 50% return in the first month through the investment.
32. In connection with the offer 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; or
 - b. there were other investors in the Residual Income Program.
33. Respondents Section 8, Patrick, and JAG have never requested a hearing in this matter, and none was ordered by the Commissioner.

IV. CONCLUSIONS OF LAW

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

34. Respondents Section 8 and Patrick violated Section 409.3-301 by offering and selling a security as those terms are defined in Sections 409.1-102(26) and (28).

35. An “investment contract” is enumerated in the list of items that are securities in Section 409.1-102(28). The investments Section 8 and Patrick 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.
36. 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 Respondents Section 8 and Patrick.
37. Respondents Section 8 and Patrick violated Section 409.3-301 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, or (3) registered under the Missouri Securities Act of 2003.
38. Respondents Section 8 and Patrick’s actions in offering and selling unregistered securities constitute illegal acts, practices, or courses of business and, thus, such actions are subject to the Commissioner’s authority under Section 409.6-604.

Transacting Business as an Unregistered Agent

39. Respondent Patrick violated Section 409.4-402(a) when he transacted business in the State of Missouri as an unregistered agent by offering or selling investment contracts to MR.
40. Respondent Patrick’s transacting business in this state as an unregistered agent is an illegal act, practice, or course of business and, thus, such actions are subject to the Commissioner’s authority under Section 409.6-604.

Employing or Associating with an Unregistered Agent

41. Respondent Section 8 violated Section 409.4-402(d) when it employed or associated with Respondent Patrick, who transacted business in the State of Missouri on behalf of Section 8 by offering or selling investment contracts to MR.
42. A check of the records maintained by the Commissioner indicates that at all times relevant to this matter, Section 8 had no registration or granted exemption for any agents of Section 8 to transact business in the State of Missouri.

43. Respondent Section 8's action of employing an unregistered agent who transacted business in this state on its behalf 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.

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

44. Respondents Section 8 and Patrick violated Section 409.5-501(2) when, in connection with the offer, sale or purchase of a security to MR in the State of Missouri, they 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; or
 - f. financial information to support the claim that MR would make a 35 to 50% return in the first month through the investment.
45. Respondents Section 8 and Patrick violated Section 409.5-501(2) when, in connection with the offer, sale or purchase of a security to MR in the State of Missouri, they made untrue statements of material fact including, but not limited to, that:
- a. MR could withdraw MR's funds at any time; or
 - b. there were other investors in the Residual Income Program.
46. Section 8 and Patrick's violations of Section 409.5-501 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. 2012).
47. 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. 2012).

V. ORDER

NOW THEREFORE, it is hereby ordered that Respondents, Respondents' 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 violating or materially aiding in any violation of Sections 409.3-301, 409.4-402(a), 409.4-402(d) and 409.5-501.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), Section 8 pay a \$10,000 civil penalty for multiple violations of Section 409.3-301. This amount shall be made payable to the State of Missouri and paid within 30 days of the date of this final order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent shall send or deliver these payments to the Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), Respondent Patrick pay a \$10,000 civil penalty for multiple violations of Section 409.3-301. This amount shall be made payable to the State of Missouri and paid within 30 days of the date of this final order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent shall send or deliver these payments to the Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), Respondent Patrick pay a \$1,000 civil penalty for violating Section 409.4-402. This amount shall be made payable to the State of Missouri and paid within 30 days of the date of this final order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent shall send or deliver these payments to the Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

IT IS FURTHER ORDERED that pursuant to Section 409.6-604(d), Respondent Section 8 pay a \$1,000 civil penalty for violating Section 409.4-402(d). This amount shall be made payable to the State of Missouri and paid within 30 days of the date of this final order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent shall send or deliver these payments to the Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), Respondent Section 8 pay a \$10,000 civil penalty for multiple violations of Section 409.5-501. This amount shall be made payable to the State of Missouri and paid within 30 days of the date of this final order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent shall send or deliver these payments to the Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), Respondent Patrick pay a \$10,000 civil penalty for multiple violations of Section 409.5-501. This amount shall be made

payable to the State of Missouri and paid within 30 days of the date of this final order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondents shall send or deliver these payments to the Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(e), Respondents pay jointly and severally the costs of the investigation in this matter in the amount \$3,430. These funds shall be made payable to the Investor Education and Protection Fund and be sent to the Missouri Securities Division at 600 West Main, Jefferson City, Missouri 65101, within 90 days from the date of this final order.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 19TH DAY OF JULY 2014.



JASON KANDER
SECRETARY OF STATE

Andrew M. Hartnett

ANDREW M. HARTNETT
COMMISSIONER OF SECURITIES



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
SECTION 8 CREATIONS, INC.;)
JAG DISTRIBUTION;)
AND ANTONIO PATRICK,)

Respondents.)

Case No. AP-12-27

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)
antoniopatrick@ca.rr.com)

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. 2012), 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:

Andrew M. Hartnett, 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 16 day of July, 2014, a copy of the foregoing Final Order to Cease and Desist and Order Awarding Restitution and Costs, and Imposing Civil Penalties in the above styled case was **mailed by certified U.S. and first class mail to:**

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

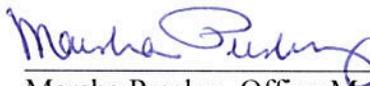
JAG Distribution
28015 Smyth Drive
Santa Clarita, California 91355

and was **mailed by certified U.S. and first class mail and sent by email to:**

Antonio Patrick
1373 South Orange Drive
Los Angeles, California 90019
antoniopatrick@ca.rr.com

And via hand-delivery to:

Mary S. Hosmer
Assistant Commissioner
Missouri Securities Division



Marsha Presley, Office Manager