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FEB 16 2010

In the matter of:  
Paragon Investments Inc.,  
Steve Elmont and  
Mark Meiling

Utah Department of Commerce  
Division of Securities

File No. SD-10-0003

Response by Mark Meiling, 2/12/2010

Statement of what relief I seek.

Mark Meiling should be dismissed from this action. He should not be liable to pay any fines as he had no access to any investment decisions and merely referring a few people from local gatherings to inquire about any joint venture does not render him an agent, employee or participant operated by Paragon or any entity named in the administrative action.

Statement summarizing why the relief you see should be granted.

The administrative board should dismiss any and all actions against Mark Meiling as it is crystal clear he had no involvement in the movement of funds, investment decisions or payment of profits.

1. Deny. The opportunity discussed was defined as a Joint Venture based on counsel: Robert Bardey, Esquire, 64 E. 86<sup>th</sup> Street #4B, New York, NY 10028.
2. N/A. I have never been an officer of Paragon Investments.
3. N/A. Pertains exclusively to Steve Elmont.
4. Admit.
5. Deny. Because I am not an officer of the company, I have no idea the timeline, the total number of clients or amount of funds invested. This information was never made available to me.
6. Deny. Everything I represented was to the best of my knowledge true and factual. Until this Order to Show Cause was in my possession, I did not know the total funds were \$6,010,000.
7. Deny. This is information that was not available to me.
8. Deny. I met on many occasions with HH regarding both personal and business matters, I cannot confirm which days we discussed particular items. HH has been a long-term client of mine.
9. a) Deny. Funds were collected to invest in a "joint venture" with Thomas Bannon, a trusted banker in New York. The term "micro-international investments" has never been used with me or by me.  
b) Deny. It was explained to me that Tom Bannon would be trading financial instruments in an over-night banking environment.  
c) Deny. I do not know what this is referring to. I understood that Tom Bannon would do the transactions manually.

- d) Deny. HH was to earn 4% a month on his funds. There was never an agreement with Steve Elmont either verbally or written as to the amount of money I would receive. To my knowledge, I was paid out of Paragon's profits, but not given any detail as to the percentages or profits made. The amounts paid were arbitrary and at Steve Elmont's complete discretion.
- e) Admit. I was made aware of a conversation with HH and Steve Elmont that HH elected to take his profits in a lump sum payment at the end of the year.
- f) Admit.
- g) Deny. I had family with money in the joint venture with Paragon Investments, but did not have funds of my own.
- h) Admit.
- i) Deny. I do not recall that topic in the conversation, but it is stated in the Term Sheet.
10. N/A. I know at some time they spoke, but cannot confirm the day or time.
11. N/A. a, b, c, d. This did not involve me and I cannot respond accurately.
12. N/A. I can assume that the Financial Joint Venture Agreement would be signed and returned to Steve Elmont before any funds were transferred, but I have not received or seen that document, as I was not part of any monetary transactions.
13. Deny. I was told that HH wired \$100,000 but I cannot confirm the date nor did I have access to any bank account information.
14. N/A. a, b, c. These items refer to the Financial Joint Venture Agreement of which I did not see.
15. Admit. This was not a security and did not require a disclosure document. HH reviewed a term sheet and if he chose to continue his inquiry, he could call Steve Elmont for more information.
16. Admit. I cannot confirm the date, but I was told that HH did wire \$100,000 to Paragon's account. I was also under the belief that all funds would be invested with Tom Bannon as was HH.
17. N/A. I do not have access to bank information.
18. N/A. I do not have access to bank information or Elmont's emails.
19. Deny. HH did not inform me or consult with me concerning additional funds he added to the Joint Venture. All financial transactions were handled by Steve Elmont.
20. N/A. I do not have access to bank information.
21. N/A. I do not have access to bank information. Until this document, I had never heard of S3 Consulting Inc. I also assumed all funds went to Tom Bannon.
22. N/A. HH did not inform me or consult me concerning additional funds he added to the Joint Venture. All financial transactions were handled by Steve Elmont.
23. N/A. I do not have access to bank information.
24. N/A. I do not have access to bank information.
25. Admit.
26. Admit. At that time, to my knowledge, the Joint Venture was paying out as promised and looked to be viable.
27. N/A. I was not privy to those conversations, when or if they took place.
28. N/A. I was not part of the alleged conversations mentioned in (a) through (r).

- s) Deny. I never had an agreement with Steve Elmont either verbally or written as to the amount of money I would receive. To my knowledge, I was paid out of Paragon's profits, but not given any detail as to the percentages or profits made. The amounts paid were arbitrary and at Steve Elmont's complete discretion.
29. Admit. I was aware that TW and VW had formed or were forming a company, but I was not part of the process. I was also told that TW and VW had their legal counsel, Lyman Belnap Esq., perform due diligence on Paragon, Steve Elmont and Thomas Bannon. He also confirmed that the joint venture was not a security.
30. N/A. I can assume that the Financial Joint Venture Agreement would be signed and returned to Steve Elmont before any funds were transferred, but I have not received or seen that document, as I was not privy to the transaction.
31. N/A. I did not see this Agreement and cannot comment on the contents of it.  
(a,b,c,d)
32. N/A. The documents passed between Elmont and TW and VW were not made known to me.
33. Admit. I cannot confirm the date, but I was told that TW and VW did wire funds to Paragon's account. I was also under the belief that all funds would be invested with Tom Bannon as were TW and VW.
34. N/A. I do not have access to bank information. Until this document, I had never heard of S3 Consulting Inc. I also assumed all funds went to Tom Bannon.
35. N/A. I do not have access to bank information. I was never told the amounts that TW, VW and their clients wired to Paragon.
36. N/A. I do not have access to bank information. Until this document, I had never heard of S3 Consulting Inc. or Rochester Foundation, Inc. I assumed all funds went to Tom Bannon as told originally. (a-f)
37. Admit. I was aware that TW and VW had requested \$250,000 of principal returned.
38. N/A. I do not have access to bank information.
39. Admit. This conversation took place at a Cub Scout Blue and Gold Banquet Pack meeting where several people were discussing investments, i.e. real estate, insurance, etc. I did not make a formal presentation to RB, this was a casual conversation. All of us present had boys in the pack.
40. Admit. I did tell RB about the Joint Venture that was currently available and paying 4% a month to investors. The real estate agent present, said he had income properties for sale and wanted to know if RB or I were interested. (KB was not present at that time.) The real estate agent suggested using home equity lines to purchase the investment properties.
41. Admit. Both RB and the real estate agent requested more information at the Cub Scout meeting. I told them I would send it the next day. I sent them a term sheet regarding the Joint Venture and an additional article entitled, "How the Affluent Manage Home Equity to Safely and Conservatively Build Wealth" which was a well-written article, by Edmond Urwin Mortgage Company (owned by TW and VW). This article was in reference to the discussion with the real estate agent about using home equity. (see 40)  
a-g) Admit. Stated in term sheet, but I am not the author of it.

42. Deny. I cannot confirm the exact date, because there wasn't one, but RB persisted many times that when I was over at his house for the reasons mentioned below, that I come back when KB was home and explain the details to her about Paragon Investments. RB would say "KB was excited and wanted to do it, but also she wanted to talk to me before she would allow RB to do anything." KB and I were not able to discuss the topic until about the time RB and KB transferred money to Elite Ventures in the fall. From February 2006 until the end of the year, we saw each other many times as our kids were in similar activities, i.e. Cub Scouts, soccer teams, attend the same school, and were playmates. RB was also the BSA Scoutmaster at the time to another one of my boys and is currently the Scoutmaster of my youngest boy. There were many interactions throughout the year, in fact too numerous to count and the topic of Paragon Investments was rarely discussed, except for the occasions mentioned above. There was never a formal presentation made to RB and KB, all discussions were in response to their inquiries.
43. This was not a formal presentation.
- a) Admit.
  - b) Admit.
  - c) Deny. The Joint Venture was offering 4% when RB initially requested information about it. By this time, Paragon was not longer accepting direct clients. The 3.5% monthly return would have come from a term sheet from Elite Ventures that was in RB's possession.
  - d) Deny. I never had an agreement with Steve Elmont either verbally or written as to the amount of money I would receive. To my knowledge, I was paid out of Paragon's profits, but not given any detail as to the percentages or profits made. The amounts paid were arbitrary and at Steve Elmont's complete discretion.
  - e) Deny. I never promoted this as a 100% safe investment. Nothing is 100% safe.
  - f) Deny. I did not make such a representation. After RB had funds in the Joint Venture and was making monthly profits, he asked me on several occasions to talk to his co-workers and boss at work, which I declined, as well as other people in our neighborhood (or ward), including his next-door neighbor. RB also introduced me to his father at a soccer game and asked me to talk to him about the JV. I declined. I received multiple calls from these people who RB and KB had referred. I told them many times that I could not help them. RB told me his intent was to "make a lot of money and retire the ward." In response to his comment, I told him, that might be possible, but it's not going to happen.
44. Deny. I cannot confirm any dates and there was never a formal meeting. Our circumstances brought us together many times.
45. Deny. I cannot confirm any dates and there was never a formal meeting. Our circumstances brought us together many times.
- a) Admit. Paragon would not accept more than nine direct investors. Only the nine could add to their already submitted funds. The number nine is

significant because this was the amount of clients Paragon was allowed without registering as a security per advice from counsel.

- b) Deny. There was no 'sneaking'. Upon RB's insistence to invest in the Joint Venture after learning Paragon would not accept new clients, I suggested that he speak with another LLC investor to combine with his additions.
  - c) Deny. There was no 'sneaking.' I gave RB the contact information of Elite Ventures, LLC who was entitled to send in additional funds to Paragon Investments.
  - d) Deny. Any agreement was between Elite Ventures and RB/KB, I did not have access to those contracts. Footnote 8- I never provided any contracts to RB/KB, they are likely referring to the same term sheet given above.
  - e) Admit. Elite Ventures indicated they had money to send into Paragon already and that they could pool RB/KB's funds with theirs.
  - f) Deny. I never promoted this as a 100% safe investment. Nothing is 100% safe.
  - g) Deny. No guarantees were made.
  - h) Admit. This is from the term sheet provided from Paragon.
46. Admit. This was not a security and did not require a disclosure document. RB and KB reviewed a term sheet.
47. Deny. RB and KB did not have any direct contact or authorizations with Paragon. They invested with Elite Ventures, who then invested with Paragon.
48. N/A. RB and KB invested with Elite Ventures after speaking with Jason Lee. I did not have access to any conversations or contracts between them. I did not have access to bank transactions or RB/KB's money.
49. N/A. I am not an officer of Elite Ventures, nor did I have access to bank information.
50. N/A. I am not an officer of Elite Ventures, nor did I have access to bank information.
51. N/A. I did not have access to bank information. Until this document, I had never heard of S3 Consulting Inc. I assumed all funds went to Tom Bannon as told originally.
52. Deny. There was no formal meeting and I cannot confirm a particular date. On many occasions when we were together (see #42 for reasons), because of the success he was having, RB had asked me if I knew of something else similar to what he was doing with Elite Ventures. I told him I didn't know of anything currently, but I would let him know if I found something that seemed reasonable. During that time period I became aware of another opportunity that Jason Lee told me about. I had actually learned about the Pelyn Trust/Arnold McRae in December 2006. I invested \$11,050 of my money starting in December 2006 until August 2007, about the same time RB and KB transferred \$10,000 to my Washington Mutual. My investment was made through Elite Ventures over four payments and I have the copies of the four processed checks.
- a) Admit. That was what I was told.
  - b) Deny. As explained to me, money would be held in Pelyn Trust. No claims to the safety were made.

- c) Deny. I have no knowledge of the Prime Minister of Canada being involved in anything.
- d) Deny. I did not advise them to use home equity funds.
- e) Admit. This was information given to me by Jason Lee.
53. Deny. I gave them all the information I had. The money would go to the Pelyn Trust and the trustee was Arnold McCrae in Pennsylvania via Elite Ventures.
54. Deny. Money was transferred to my account at Washington Mutual from RB and KB. I didn't know of its origin being from savings, checking or another source at the time. I can't recall the circumstances as to why it was put into my account to begin with, considering it was to be sent to Elite Ventures account at Washington Mutual. RB and KB were aware of the Elite Venture account and its banking coordinates because of their earlier participation.
55. Admit.
56. Admit/ Deny. Money was transferred from my account to Elite Ventures at Washington Mutual Bank. I cannot confirm the transfer of funds from Elite Venture's account as I did not have access to their bank records.
57. N/A. I am not an officer of Elite Ventures, nor did I have access to bank information.
58. Responses above.
59. Based on counsel's advice, this was not a security but a Joint Venture.
60. a) i. All facts were presented on the term sheet and were determined to not be a security as per legal counsel.  
ii. Never represented it to be 100% safe or risk free.  
iii. Never represented it to be 100% safe or risk free.
61. a) Admit.  
b) Deny. I spoke directly with Tom Bannon. He represented himself to be a seasoned banker from New York with many valuable connections and opportunities. I verified his corporation, Overseas Investors, as being in good standing and having a clean record. Tom Bannon was also a trusted expert witness in the banking industry. A search on Google and other search engines provided nothing of concern about Tom Bannon other than to confirm the facts mentioned above.  
c) Deny. I had no access to Steve Elmont's personal finances or business records and only acted as a referral to him. My limited knowledge of his bankruptcy was that it had been discharged in 2003 and was related to prior events.  
d) Deny. I represented what I knew. Paragon funds were meant to go to Tom Bannon only and the \$10,000 went to the Pelyn Trust.  
e) Deny. I represented what I knew. There was no deception – I shared all information that I had.  
f) i-xi. Deny. There was no prospectus regarding Paragon based on counsel's advice that it was not required.
62. Deny. Based upon the opinion of Robert Bardey, Esquire, 64 E. 86<sup>th</sup> Street #4B, New York, NY 10028, the Joint Venture did not constitute the sale of a Security. Mr. Bardey was the attorney of Thomas Bannon, who had set up like investments with other clients, similar to Paragon, for many years. My understanding was that Paragon had been set up carefully and legally with the expert advice of Mr.

- Bannon and Mr. Bardey. I was informed that Paragon was one of many clients of Mr. Bannon engaged in joint ventures.
63. Deny. Based upon the opinion of Robert Bardey, Esquire, 64 E. 86<sup>th</sup> Street #4B, New York, NY 10028, the Joint Venture did not constitute the sale of a Security. Mr. Bardey was the attorney of Thomas Bannon, who had set up similar investments with other clients, similar to Paragon, for many years. My understanding was that Paragon had been set up carefully and legally with the expert advice of Mr. Bannon and Mr. Bardey.
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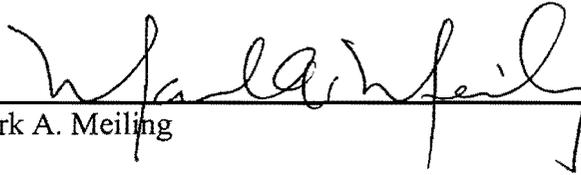
#### ORDER

- a) The respondent Mark Meiling never promoted any security offerings, he merely suggested to a few neighbors and business associates at community and business functions an opportunity that had a legal opinion and might produce some economic benefit. The respondent, Mark Meiling was never an agent, employee or an officer of either Paragon Investments or Steve Elmont or any company associated with them.
- b) The respondent, Mark Meiling cannot be ordered cease and desist as he did not engage in any act, as provisions of the Utah code.
- c) N/A.

d) N/A

e) The respondent, Mark Meiling cannot possibly be ordered to pay any fine of any sum of money as he was not a party, agent, employee of any of the principles engaged in the joint venture in the state of Utah, nor anywhere else. Mark Meiling was never paid the total amount of \$225,000 during the time the joint venture was profitable. Nor did he receive any regular profits from any entity or have any contract either written or verbal on the money to be paid.

Signed:



Mark A. Meiling

Representing Mark A. Meiling:  
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