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SOAH DOCKET NO. 312-13-0389

IN THE MATTER OF
ECOENERGY GROUP, INC.
DBA INTERMODAL WEALTH,
INTERMODAL WEALTH, INC.,
JOHN PATRICK ACORD,
STEVEN PATRICK JONES,
AND DONALD DRABIK

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Order No. ENF-13-CDO-1730

TO: EcoEnergy Group, Inc. dba Intermodal Wealth
13168 Olde Western, Suite 3, Blue Island, IL 60406

Intermodal Wealth, Inc., c/o Steven Jones, Registered Agent
4534 Saunders Road, Houston, TX 77093

John Patrick Acord
1919 Cattle Drive, Magnolia, TX 77354 and
13168 Olde Western, Suite 3, Blue Island, IL 60406

Steven Patrick Jones
1114 Mustang Trail, Kingwood, TX 77339,
13168 Olde Western, Suite 3, Blue Island, IL 60406, and
4534 Saunders Road, Houston, TX 77093

Donald Drabik
13168 Olde Western, Suite 3, Blue Island, IL 60406, and
27612 Palomino Drive, Warren, MI 48093

ORDER AFFIRMING EMERGENCY CEASE AND DESIST ORDER

STATEMENT OF THE CASE

On July 20, 2012, the Securities Commissioner issued an Emergency Cease and Desist Order ("**Emergency Order**"), Order No. ENF-12-CDO-1718, In the Matter of EcoEnergy Group, Inc., dba Intermodal Wealth, Intermodal Wealth, Inc., John Patrick Acord,

Steven Patrick Jones, and Donald Drabik (collectively "**Respondents**"). He ordered them to cease and desist from:

1. Offering for sale any security in Texas until the security is registered with the Securities Commissioner or is offered for sale pursuant to an exemption from registration under the Texas Securities Act.
2. Acting as securities dealers or agents in Texas until Respondents are registered with the Securities Commissioner or are acting pursuant to an exemption from registration under the Texas Securities Act.
3. Engaging in any fraud in connection with the offer for sale of any security in Texas.
4. Offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

On August 24, 2012, Respondents requested a hearing to set aside the Emergency Order. On October 1, 2012, the Texas State Securities Board Staff ("**Staff**") issued a notice of hearing to Respondents. A hearing on the merits was convened by the State Office of Administrative Hearings on June 19, 2013, with Administrative Law Judge ("**ALJ**") William G. Newchurch presiding. Staff was represented by Assistant Director of Enforcement Travis Iles and Attorney Matthew Leslie. Respondents were represented by Joe Alfred Izen, Jr. The hearing concluded on June 19, 2013, but the record was not closed until August 26, 2013, after written closing and reply briefs were submitted.

The ALJ issued a Proposal for Decision ("**PFD**") on October 21, 2013. On November 7, 2013, Respondents filed exceptions to the proposed decision of the ALJ. The ALJ responded to Respondents' exceptions by letter dated November 25, 2013, declining to make any changes to the Findings of Fact or Conclusions of Law contained in the PFD.

The Findings of Fact and Conclusions of Law from the PFD, are as follows:

FINDINGS OF FACT

1. EcoEnergy Group, Inc. dba Intermodal Wealth is an Illinois corporation, and its last known address is 13168 Olde Western, Suite 3, Blue Island, IL 60406. Intermodal Wealth, Inc. is a Republic of Panama corporation, and its last known address is that of its registered agent, Steven Jones, at 4534 Saunders Road, Houston, TX 77093. Both EcoEnergy Group dba Intermodal Wealth and Intermodal Wealth, Inc. are collectively referred to herein as "**Respondent Intermodal Wealth.**"
2. John Patrick Acord ("**Respondent Acord**") is a Director, Secretary and Chief Financial Officer of EcoEnergy Group, Inc., dba Intermodal Wealth and he is a Director and Secretary of Intermodal Wealth, Inc. His last known addresses are

1919 Cattle Drive, Magnolia, TX 77354 and 13168 Olde Western, Suite 3, Blue Island, IL 60406.

3. Steven Patrick Jones ("**Respondent Jones**") is a Director and President of EcoEnergy Group, Inc., dba Intermodal Wealth and a Director and Registered Agent of Intermodal Wealth, Inc. His last known addresses are 13168 Olde Western, Suite 3, Blue Island, IL 60406, 4534 Saunders Road, Houston, TX 77093, and 1114 Mustang Trail, Kingwood, TX 77339.
4. Donald Drabik ("**Respondent Drabik**") is the Business Development Specialist of Respondent Intermodal Wealth, Inc. His last known address is 13168 Olde Western, Suite 3, Blue Island, IL 60406.
5. Respondents Intermodal Wealth, Acord, Jones, and Drabik (collectively "**Respondents**") are offering investments in intermodal shipping containers. Respondents represent the terms of the investment as follows:
 - a. Investors purchase the intermodal shipping containers,
 - b. Respondent Intermodal Wealth manages the intermodal shipping containers and leases them to third-party businesses,
 - c. The management and leasing of the intermodal shipping containers purportedly generates a profit,
 - d. Investors who invest less than \$500,000 will receive either a 13% or 13.5% guaranteed annualized return and investors who invest \$500,000 will be entitled to a 16.5% return, and
 - e. The guaranteed annualized return will be paid on a quarterly basis to investors who invest less than \$100,000 and on a monthly basis to investors who invest more than \$100,000.
6. The investments in intermodal shipping containers have not been registered by qualification, notification, or coordination, and no permit has been granted for their sale in Texas.
7. Respondents have not been registered with the Securities Commissioner as dealers or agents at any time material hereto.
8. In connection with the offer of investments in intermodal shipping containers, Respondents are intentionally failing to disclose one or more material facts, including but not limited to the following:
 - a. The risks associated with the investments in intermodal shipping containers, including the risk that Respondent Intermodal Wealth will be

unable to secure appropriate leases, the consequences associated with the breach of the terms of the leases, and the manner in which economic conditions and other factors may affect the use of intermodal shipping containers, and

- b. The assets and liabilities of Respondent Intermodal Wealth and/or any other information that reflects its ability to guarantee the return on the investments.
9. In connection with the offer of investments in intermodal shipping containers, Respondents Intermodal Wealth and Acord are intentionally failing to disclose one or more material facts that relate to Respondent Acord, including but not limited to the following:
- a. "John Delano" is an alias being used by Respondent Acord.
 - b. On or about July 2, 1984, the United States District Court for the Southern District of Florida entered a permanent injunction against Respondent Acord and ordered him to pay \$425,750.00 in fines in SEC v. Monarch Oil & Gas Corporation et al., No. 82-6833 CIV-WMH.
 - c. On or about October 18, 1990, the United States Court of Appeals for the Ninth Circuit affirmed a felony conviction against Respondent Acord in Acord v. United States, 916 F.2d 716 (9th Cir. 1990, unpublished). The appeal came after Acord pleaded guilty to federal crimes related to securities fraud and was sentenced to one ten-year prison term and five five-year prison terms.
 - d. On or about February 7, 1996, Respondent Acord was convicted of one count of securities fraud in United States of America v. John Patrick Acord, Case Number 3:95-CR-121-P, in the United States District Court, Northern District of Texas, Dallas Division. He was thereafter sentenced to serve fifty-one months in federal prison.
 - e. On March 6, 1996, Respondent Acord was permanently enjoined from the use of fraud in the offer for sale and sales of securities and from the offer or sale of unregistered securities in Securities and Exchange Commission v. John P. Acord et al., Civil Action No. 3:95-CV-2728-T.
 - f. On or about October 14, 2005, Respondent Acord filed a Voluntary Petition for Chapter 7 Bankruptcy in the United States Bankruptcy Court for the Southern District of Texas.
 - g. The Department of Treasury has filed Notices of Federal Tax Liens against Respondent Acord for unpaid balance assessments. The filings reflect:

- i. An unpaid balance assessment of \$17,051.03 for the Tax Period ending December 31, 2006,
 - ii. An unpaid balance assessment of \$63,744.37 for the Tax Period Ending December 31, 2007,
 - iii. An unpaid balance assessment of \$23,552.63 for the Tax Period Ending December 31, 2008, and
 - iv. An unpaid balance assessment of \$4,351.57 for the Tax Period Ending December 31, 2009.
- h. On or about March 24, 2009, the United States District Court, District of Maryland, entered an Order against Respondent Acord in *Young Again Products, Inc. v. John Acord a/k/a John Livingston, et al.*, Civil No. 8:03-CV-02441-RWT. The Court therein ordered:
- i. That Respondent Acord was permanently enjoined from infringing upon the named plaintiff's trademarks and copyrights.
 - ii. The entry of a default judgment against Respondent Acord for \$3,832,832.40 was entered for the benefit of the named plaintiff and against Respondent Acord.
 - iii. Respondent Acord was found to be in civil contempt of court and ordered to pay sanctions in the amount of \$24,357.00 for the benefit of the named plaintiff. Respondent was thereafter incarcerated for failure to conform to said sanctions.
- i. On or about February 11, 2010, the United States Bankruptcy Court, Southern District of Texas-Houston Division entered a monetary judgment against Respondent Acord in *In re: Supplement Spot, LLC*, Case No. 06-35903-H4-11. The monetary judgment was in the amount of \$1 million plus interest, and was entered in favor of the Chapter 11 Trustee. The monetary judgment arose, in part, from the Trustee's allegations that Respondent Acord:
- i. Utilized Debtor's assets to pay his personal debts to the detriment of Debtor's creditors.
 - ii. Used Debtor's assets to make business investments and purchase properties through a series of entities for the benefit of Respondent Acord and others outside of Debtor's estate.

- iii. Diverted Debtor's funds both prior to and after Debtor's petition in bankruptcy.
10. In connection with the offer of investments in intermodal shipping containers, Respondents Intermodal Wealth and Jones are intentionally failing to disclose one or more material facts that relate to legal actions that involve Respondent Jones, including but not limited to the following:
 - a. On or around November 14, 1996, Respondent Jones was convicted of Transporting in Interstate Commerce a Stolen Motor Vehicle in United States v. Steven Patrick Jones, Case No. 1:97PT17, in the United States District Court for the Western District of Michigan. He was sentenced to pay restitution in the amount of \$13,500, serve six months in federal prison, followed by supervised release for a period of three years, conditioned on participation in a narcotics addiction treatment program. Following the sentence:
 - i. Respondent Jones was charged and pleaded guilty to a violation of the conditions of supervised release and was sentenced to serve another six months in federal prison followed by supervised release for a period of two years and six months.
 - ii. Respondent Jones again violated the conditions of supervised release and was sentenced to serve twelve months in federal prison.
 - b. On or about December 31, 2004, Respondent Jones filed for bankruptcy in Case Nos. 04-15433 and 04-15467, in the United States Bankruptcy Court for the Western District of Michigan.
 - c. On or about August 5, 2010, Respondent Jones filed a Voluntary Petition for Chapter 13 Bankruptcy in Case No. 10-35074, in the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division.
11. Respondents are making offers containing statements that are materially misleading or otherwise likely to deceive the public by representing that investors should expect guaranteed lucrative returns while failing to disclose the information set forth herein.
12. On July 20, 2012, the Securities Commissioner issued an emergency cease and desist order ("**Emergency Order**") to the Respondents.
13. In the Emergency Order, the Securities Commissioner ordered Respondents to cease and desist from:

- a. Offering for sale any security in Texas until the security is registered with the Securities Commissioner or is offered for sale pursuant to an exemption from registration under the Texas Securities Act;
 - b. Acting as securities dealers or agents in Texas until Respondents are registered with the Securities Commissioner or are acting pursuant to an exemption from registration under the Texas Securities Act;
 - c. Engaging in any fraud in connection with the offer for sale of any security in Texas, and
 - d. Offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.
14. On August 24, 2012, the Respondents, through their attorney, Joe Alfred Izen, Jr., requested a hearing to set aside the Emergency Order.
 15. The case was referred to the State Office of Administrative Hearings ("**SOAH**").
 16. On October 1, 2012, the Texas State Securities Board Staff ("**Staff**") sent a notice of hearing to the Respondents' attorney. The notice indicated that the hearing would be held on November 5, 2012, at the William P. Clements Office Building, Fourth Floor, 300 West 15th Street, Austin, Texas, by a SOAH Administrative Law Judge ("**ALJ**").
 17. The Respondents did not object to the date of the hearing.
 18. On November 5, 2012, ALJ William G. Newchurch convened the hearing. The Staff appeared through its attorneys, Travis Iles and Matthew Leslie. Respondent Jones appeared and was represented by Mr. Izen, who also appeared on behalf of all of the other Respondents except Mr. Acord. Though he originally filed a request for hearing on behalf of Mr. Acord, Mr. Izen stated at the hearing that he had not been retained to represent Mr. Acord at the hearing. Mr. Acord did not appear.
 19. After the Staff had offered its direct-case evidence, the Parties jointly moved to abate the hearing due to the possibility of a related criminal matter being initiated. The hearing was abated until May 6, 2013.
 20. On May 3, 2013, the Staff filed a motion to lift the abatement and reconvene the hearing. The ALJ issued an order granting the motion to lift the abatement and scheduling the hearing to reconvene on June 18, 2013, which was later continued to June 19, 2013, by agreement of the parties.
 21. The hearing concluded on July 19, 2013, but the record was left open to allow the parties to file post-hearing briefs.

22. The record was closed on August 26, 2013, after reply briefs were filed.

CONCLUSIONS OF LAW

1. These investments are "securities" as that term is defined by Section 4.A of the Texas Securities Act. Tex. Rev. Civ. Stat. art. 581-4(A).
2. Respondents are violating Section 7 of the Texas Securities Act by offering securities for sale in Texas at a time when the securities are not registered with the Securities Commissioner. Tex. Rev. Civ. Stat. art. 581-7.
3. Respondents are violating Section 12 of the Texas Securities Act by offering securities for sale in Texas without being registered pursuant to the provisions of Section 12 of the Texas Securities Act. Tex. Rev. Civ. Stat. art. 581-12.
4. Respondents are engaging in fraud in connection with the offer for sale of securities. Tex. Rev. Civ. Stat. arts. 581-4(F) & 581-23-2(A)(1).
5. Respondents are making an offer containing statements that are materially misleading or otherwise likely to deceive the public. Tex. Rev. Civ. Stat. art. 581-23-2(A)(2).
6. Respondents' conduct, acts, and practices threaten immediate and irreparable public harm. Tex. Rev. Civ. Stat. art. 581-23-2(A).
7. The foregoing violations constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 23-2 of the Texas Securities Act. Tex. Rev. Civ. Stat. art. 581-23-2.
8. On receiving a request for a hearing from a person who is the subject of an emergency order, the Commissioner must serve notice of the time and place of the hearing. The hearing must be held not later than the 10th day after the date the Commissioner receives the request for a hearing unless the parties agree to a later hearing date. Tex. Rev. Civ. Stat. art. 581-23-2(D).
9. SOAH has jurisdiction over matters related to the hearing in this proceeding, including the authority to issue a decision and order. Tex. Gov't Code ch. 2003.
10. Based on the above Findings of Fact and Conclusions of Law, the Respondents were given the required notice of and a hearing.
11. At the hearing, the Commissioner had the burden of proof and was required to present evidence in support of the order. Tex. Rev. Civ. Stat. art. 581-23-2(D).

12. After the hearing, the Commissioner must affirm, modify, or set aside in whole or part the Emergency Order. Tex. Rev. Civ. Stat. art. 581-23-2(E).
13. Based on the above Findings of Fact and Conclusions of Law, the Emergency Order should be affirmed as set out herein.

ORDER

IT IS THEREFORE ORDERED that the Emergency Cease and Desist Order, Order No. ENF-12-CDO-1718, issued against Respondents on July 20, 2012, SHALL BE AFFIRMED and REMAIN IN FULL FORCE AND EFFECT.

1. It is therefore ORDERED that Respondents immediately CEASE AND DESIST from offering for sale any security in Texas until the security is registered with the Securities Commissioner or is offered for sale pursuant to an exemption from registration under the Texas Securities Act.
2. It is further ORDERED that Respondents immediately CEASE AND DESIST from acting as securities dealers or agents in Texas until Respondents are registered with the Securities Commissioner or are acting pursuant to an exemption from registration under the Texas Securities Act.
3. It is further ORDERED that Respondents immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.
4. It is further ORDERED that Respondents immediately CEASE AND DESIST from offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

SIGNED AND ENTERED by the Securities Commissioner this 19th day of December, 2013.

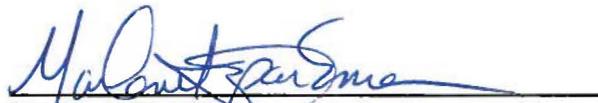


JOHN MORGAN
Securities Commissioner

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been sent to the Respondents by certified mail, return receipt requested, at their last known addresses on Page 1 of this Order; to the Respondents' attorney of record via facsimile at (713) 668-9402 and certified mail, return receipt requested; to the Staff by hand-delivery; and by regular mail to the State Office of Administrative Hearings, on this the 19th day of December, 2013.

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