

ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:

**Echo Energy Group, Dave Marlin,
and Paul Martin,**

Respondents.

File Number 10062

CONSENT ORDER

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the "Division"), after receiving multiple complaints and pursuant to authority granted in the South Carolina Uniform Securities Act, S.C. Code Ann. § 35-1-10 *et. seq.* (Supp. 2010) (the "Act"), initiated investigations into the activities of Echo Energy Group ("EEG"), Dave Marlin ("Marlin"), and Paul Martin ("Martin") (collectively, the "Respondents") involving possible violations of the South Carolina Uniform Securities Act; and

WHEREAS, in connection with its investigations, the Division determined certain acts or practices constituting violations of the Act had occurred; and

WHEREAS, the Respondents wish to resolve the above matters by Consent Order rather than by a formal hearing before the Securities Commissioner (the "Commissioner");

Now THEREFORE, as evidenced by the signatures of their authorized representatives on this Order, the Respondents hereby accept each and every Section of this Order for purposes of entering and enforcing the Order:

I. Jurisdiction

1. The Commissioner has jurisdiction over this matter pursuant to Section 35-1-180 of the Act.



II. Respondents

2. Respondent EEG is a corporation registered with the Secretary of State's Office in Wyoming. EEG has a primary business address of 1304 Havens Dr., North Myrtle Beach, South Carolina 29582. Respondent EEG is not registered with the South Carolina Secretary of State.
3. Respondent Marlin is a resident of South Carolina with a last known address of 1304 Havens Dr., North Myrtle Beach, South Carolina 29582.
4. Respondent Martin is a resident of South Carolina with a last known address of 1304 Havens Dr., North Myrtle Beach, South Carolina 29582.

III. Factual Summary

5. The Respondents represent that they are an environmental technology firm seeking to create joint venture partnerships in alternative energy projects.
6. The Respondents maintain a website, <http://www.echoenergygroup.net> ("EEG website"), which is accessible by the general public within South Carolina and elsewhere.
7. The EEG website contains numerous statements regarding EEG's character as an investment related company, including:
 - a. "There is lots of investment driving the energy sector today. New technologies allow us to process previously unusable material and create energy to power our schools, businesses and homes. This is an opportunity for you to profit from solidifying a clean environment for future generations."
 - b. "Echo Energy Group has a robust pipeline of projects under development offering investors a wide range of opportunities to invest at the equity, mezzanine or senior debt levels of the capital structure."



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- c. *“Echo Energy Group evaluating [sic] our investment potential and submitting [sic] several opportunities aligned with our goals and risk guidelines. Without them, we would be lost in the eco investment arena”*
 - d. *“Echo Energy Group cultivates investors to match with our ongoing projects. We are flexible in our agreement process and realize investors may have specific needs that we try to meet and exceed. Once you are part of the fold Echo Energy Group runs our metrics on your investment criteria to match your level of risk to that of our on-going projects.”*
 - e. *In the context of a page subtitled “Invest in Solar,” the EEG website asserts there are “[n]umerous sites available for investment” and “[u]p to 10% Rate of Return plus Renewable Energy Certificates”*
8. Respondents also issued marketing materials by email which referenced investment opportunities in alternative energy technologies. These materials included the following language:
- a. *“Solar Energy Investment Opportunity”*
 - b. *“Invest in Solar”*
 - c. *“\$2,000,000 Investment; *Total Investment Return in Year One”*
 - d. *“\$3 Million Investment Sought”*
 - e. *“Return on investment can be as quick as 2 years or in some instances as much as 10 years”*
 - f. *In the context of marketing materials related to an “International Waste to Energy Plant,” the Respondents asserted that “[i]nvestment opportunities range from \$2M to \$180M for individual projects.”*



9. Based on published statements and representations from the Respondents, the investors sought would hold shares or fractional ownership in a given technology project in most circumstances, and would not in most cases own a technology project outright and in its entirety.
10. Respondent EEG is not registered with the Division as a broker-dealer, nor has any exemption from registration been claimed on its behalf.
11. Respondents Marlin and Martin are not registered with the Division as broker-dealer agents, nor has any exemption from registration been claimed on their behalf.
12. The specific investments discussed on EEG's website and in the Respondents' marketing materials were not federal covered securities and were not registered with the Division, and no exemption from registration was claimed for these offerings.

IV. Conclusions of Law

13. The investment offerings discussed on EEG's website and in the Respondent's marketing materials constitute a "security" as defined by S.C. Code Ann. § 35-1-102(29).
14. In connection with the offer or sale of securities to South Carolina residents, the Respondents violated S.C. Code Ann. § 35-1-301 in that they failed to register securities which were not federal covered or exempt prior to offering them in or from South Carolina.
15. In connection with the offer or sale of securities to South Carolina residents, the Respondents violated S.C. Code Ann. §§ 35-1-401 and 35-1-402 by failing to register as a broker-dealer or as broker-dealer agents prior to attempting to effect purchases or sales of securities in or from South Carolina.

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VI. Sanctions

In view of the foregoing, the Commissioner deems it appropriate, in the public interest, and for the protection of investors and the capital markets of the State of South Carolina to impose the sanctions listed below on the Respondents.

NOW, THEREFORE, IT IS HEREBY ORDERED, and the Respondents expressly consent and agree that:

- A. Effective immediately, the Respondents and all persons under the Respondents direction or control involved in the offer or sale of securities in or from the State of South Carolina shall permanently cease and desist from violating the Act; and
- B. Specifically, the Respondents shall cease offering securities to the public until such time as both the Respondents and the securities are appropriately registered with the Division; and
- C. Upon the Commissioner's execution of this Order, the Respondents, jointly and severally, shall pay two thousand dollars (\$2,000.00) to the Division as reimbursement of a portion of the Division's investigative costs incurred in connection with the matters referenced above. The costs will be paid as an initial payment of one thousand dollars (\$1,000) within thirty days of execution, followed by two further payments of five hundred dollars (\$500) due within sixty and ninety days of execution, respectively. Failure to make an agreed upon payment or to make full payment of costs within ninety days of execution will be considered a violation of this agreement and may result in further action by the Division.

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VII. Conclusion

Upon execution by the Securities Commissioner, this Order resolves Administrative Proceeding 10062 as it relates to the Respondents. This Order should not be interpreted to waive any (i) criminal cause of action, (ii) private cause of action that may have accrued to investors as a result of Respondents' participation in the activities described herein, or (iii) other causes of action which may result from activities of the Respondents not detailed above or which may hereafter arise.

IT IS SO ORDERED this 10TH day of March, 2011.

By: Alan Wilson
Alan Wilson
Securities Commissioner
State of South Carolina

WE CONSENT:

Securities Division of the Office of the Attorney General

By: Michael Traynham Date: 3/4/11
Michael S. Traynham
Assistant Attorney General
Securities Division

Echo Energy Group, LLC
By: Dave Marlin Date: 2-27-2011

Dave Marlin
By: Dave Marlin Date: 2-27/2011

Paul Martin
By: Paul Martin Date: 2/27/11