

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

\_\_\_\_\_  
IN THE MATTER OF: STARMAX ENTERTAINMENT, )  
its partners, officers and directors, agents, employees, )  
affiliates, successors and assigns. )  
\_\_\_\_\_

FILE NO. 0400061

TEMPORARY ORDER OF PROHIBITION

TO RESPONDENTS:           Starmax Entertainment  
                                  11301 Olympic Boulevard  
                                  Los Angeles, California 90064

                                  Starmax Entertainment  
                                  c/o Ernie Prince  
                                  21514 Nordhoff Street  
                                  Chatsworth, California 91311

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

1. That Starmax Entertainment, a limited Partnership (hereinafter "Respondent"), maintains business addresses at 11301 Olympic Boulevard, Los Angeles, California 90064, and c/o Ernie Prince, 21514 Nordhoff Street, Chatsworth, California 91311.
2. That during November of 2002, and January, 2003 Respondent solicited at least one Illinois resident to invest in limited partnership interests in films.
3. That subsequent to these solicitations, Respondent caused to be sent to at least one Illinois resident a private placement memorandum, a subscription agreement and limited partnership agreement (the "Offering Documents") for the Offering.
4. That following receipt of such Offering Documents, at least one Illinois resident filled in and executed said Offering Documents and returned them along with payments in the aggregate amount of \$6,000.00 for fractional units in the Offering.

Temporary Order of Prohibition

-2-

5. That subsequent thereto Ernie Prince, a general partner of Respondent, countersigned and executed the Offering documents as Respondent's representative.
6. That the activities described in paragraphs 2, 3, and 4 above constitute the offer and sale of a preorganization agreement or subscription, or an investment contract and therefore a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
7. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
8. That Respondent failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and that as a result the security was not registered pursuant to Section 5 of the Act prior to being offered and sold in the State of Illinois.
9. That Section 12.A of the Act provides, inter alia, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
10. That Section 12.D of the Act provides, inter alia, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
11. That by virtue of the foregoing, Respondent has violated Sections 12.A and 12.D of the Act.
12. That the aforementioned findings are based upon credible evidence:
13. That Section 11.F (2) of the Act provides, inter alia, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.

Temporary Order of Prohibition

-3-

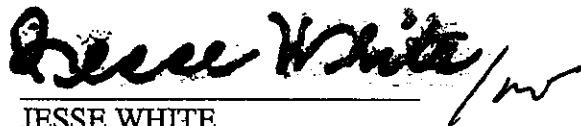
14. That the entry of this Temporary Order prohibiting Respondent, or its agents, affiliates, successors and employees, from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent Starmax Entertainment, its officers and directors, agents, employees, affiliates, successors and assigns are prohibited from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE is hereby given that Respondent may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 17 North State Street, Suite 1266, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 10<sup>th</sup> day of February 2004.



JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

Samuel F. Freiman  
Illinois Securities Department  
17 North State Street, Suite 1266  
Chicago, Illinois 60602  
312-793-3384