

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: DIGITAL ENTERTAINMENT)
CORPORATION, Its Officers, Directors, Agents,)
Affiliates, and Employees and ERNEST LA MONICA,)
Individually and as its President)

FILE NO. 0500335

ORDER OF PROHIBITION

TO RESPONDENTS: Digital Entertainment Corporation
2050 Market Street
Suite 434
Reno, Nevada 89502

Ernest LaMonica
Digital Entertainment Corporation
2050 Market Street
Suite 434
Reno, Nevada 89502

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on June 21, 2007 which prohibited Digital Entertainment and Ernest LaMonica ("Respondents") from offering or selling securities in or from the State of Illinois until further order of the Secretary of State or his duly authorized representative;

WHEREAS, pursuant to section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5} (the "Act), the failure to request a hearing within thirty (30) calendar days of the entry of the Temporary Order shall constitute an admission of any acts alleged therein and constitute a sufficient basis to make the Temporary Order final;

WHEREAS, the Respondents failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and the Respondent are hereby deemed to have admitted the facts alleged in the Temporary Order;

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the Temporary Order as the Secretary of State's Findings on Fact as follows:

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1. That Respondent Digital Entertainment Corporation a Nevada corporation ("Digital"), maintains a business address at 2050 Market Street, Suite 434, Reno, Nevada 89502.
2. That Respondent Earnest LaMonica, an individual ("LaMonica") is President and CEO of Digital, and maintains a business address at 2050 Market Street, Suite 434, Reno, Nevada 89502.
3. That during May 1997, or thereabouts, LaMonica as the representative of Digital cold-called at least one Illinois resident (Investor) about Digital's plan for the construction and operation of two television stations in Memphis and Tunica, MS., and offering, 5000 shares, at an offering price of \$10,000, \$2 per share (the "Offering").
4. That subsequent to the foregoing telephone solicitation, LaMonica as the representative of Digital sent to the Investor a subscription agreement for the Offering.
5. That the Investor executed the subscription agreement and remitted the sum of \$10,000.00 for the shares.
6. That LaMonica in November, 1997 sold the Investor a five year 15% convertible bond in Digital for \$40,000.00 Dollars and in February 1999 another five year 15% convertible bond for \$30,000.00 Dollars. LaMonica then, with the investor's agreement, converted the Investors original 5000 shares into a five year 15% convertible bond.
7. That in March, 2005 LaMonica on behalf of Digital advised the Investor that if the Investor were to receive any settlement from a Lawsuit between Digital and Fox TV he would have to purchase shares of Pacific Rim Investors Partners ("PRIP").
8. That subsequent to the foregoing telephone advice and solicitation, LaMonica as the representative of Digital sent to the Investor a subscription agreement for the Offering of PRIP. That LaMonica was also the President and CEO of PRIP. That the Investor executed the subscription agreement on April 10, 2005, and remitted the sum of \$5000 for 500 shares of PRIP.
9. That the activities described in paragraphs 3, 4 and 5 above constitute the offer and sale of a common stock or a convertible bond and therefore a security as those terms are defined in Sections 2.1 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
10. 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

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Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.

11. That Respondents failed to file with the Secretary of State an application for registration of the investment opportunity 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 its offer in the State of Illinois.
12. 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.
13. 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.
14. That the Investor executed the subscription agreement on April 10, 2005, on LaMonica's assurance that ownership of PRIP shares would make him eligible to share in the proceeds of a lawsuit between Digital and FOX TV, and remitted \$5000 for the shares.
15. That from the original transaction in 1997 to and including May 11, 2005 LaMonica consistently touted the success and progress of the aforesaid investments. But after the investor bought the PRIP, communication from or with LaMonica ceased altogether.
16. That Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
17. That Respondents have violated Sections 12.A, 12.D and 12.F of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents Digital Entertainment Corporation and Ernest LaMonica, and their officers and directors, agents, employees, affiliates, successors and assigns are **PROHIBITED** from offering or selling securities in or from this State until further Order of the Secretary of State.

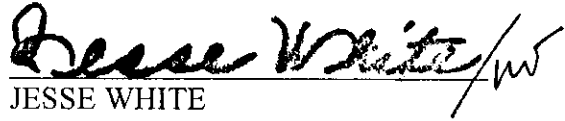
NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Act. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offense.

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This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

ENTERED: This 14th day of August, 2007.

A handwritten signature in black ink that reads "Jesse White" with a stylized flourish at the end.

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

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