

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

(CORRECTED) ORDER OF PROHIBITION

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

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

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on February 10, 2004 temporarily prohibiting Respondent from offering or selling securities in the State of Illinois until further order of the Secretary of State.

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

WHEREAS, Respondent has failed to request on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and Respondent is hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duty authorized representatives, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's final Findings of Fact as follows:

1. That Starmax Entertainment, a limited Partnership (hereinafter "Respondent"), maintains business addresses at 11301 Olympic Boulevard, Los Angeles,

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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.
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.

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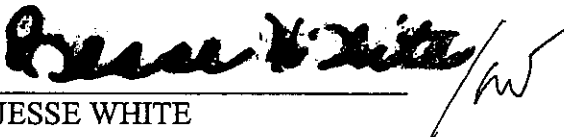
12. That Section 8.A of the Act provides inter alia, that except as otherwise provided in this subsection A, every dealer shall be registered as such with the Secretary of State.
13. That the activities described in paragraphs 2-5 constitute the activities of a dealer as that term is defined in Section 2.7 of the Act.
14. That Respondent failed to file with the Secretary of State an application for registration as a dealer as required by Section 8 of the Act and as a result was not registered pursuant to Section 8 of the Act prior to acting as a dealer in the State of Illinois.
15. That Section 12.C of the Act provides, inter alia, that it shall be a violation of the provisions of this Act for any person to act as a dealer, unless registered as such, where such registration is required, under the provisions of this Act.
16. That by virtue of the foregoing, Respondent violated Sections 12.A, 12.C and 12.D of the Act.
17. That the aforementioned findings are based upon credible evidence.

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

That by virtue of the foregoing, Respondent have violated Sections 12.A and 12.D 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 directors, agents, employees, affiliates, successors and assigns, are permanently PROHIBITED from offering or selling securities in the State of Illinois.

Dated: This 22nd day of April 2004.



JESSE WHITE
Secretary of State
State of Illinois

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 who 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 Class 4 felony.

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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 Illinois Securities Act (14 Ill. Admin. Code, Ch. I, 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.

Attorney for the Secretary of State:

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