STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

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Order Number S-03-055-05-CO01

CONSENT ORDER TO CEASE AND DESIST AND VACATING SUMMARY ORDER S-03-05504-T002

Case Number S-03-055

Respondents.

Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division of the Department of Financial Institutions ("Securities Division") and Respondent, Jag Enterprises, Inc, dba Jag Entertainment, Cyber Production Consultants, and Jon Gentile, do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. The Securities Division makes the following Findings of Fact and Conclusions of Law. Respondents consent to the entry of the Findings of Fact and Conclusions of Law solely for the purposes of this proceeding without admitting or denying them. Respondents acknowledge the Securities Division's jurisdiction over this matter and its authority to enter this order

The Securities Division finds as follows:

IN THE MATTER OF DETERMINING

of the Securities Act of Washington by:

ENTERTAINMENT; CYBER PRODUCTION

CONSULTANTS: JON GENTILE: JOHN AND

JANE DOE RESPONDENTS 1-100; their employees

Whether there has been a violation

JAG ENTERPRISES, INC. dba JAG

FINDINGS OF FACT

I.

1. Jag Enterprises, Inc. (Jag Entertainment), a Nevada Corporation, doing business as Jag Entertainment, is in the business of producing game shows.

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- 2. Cyber Production Consultants a company affiliated with Jag Entertainment.
- 3. Jon A. Gentile (Gentile) is the President of Jag Entertainment and Cyber Productions Consultants.
- 4. John and Jane Doe Respondents 1-100 are individuals are employees or agents of Jag Entertainment hired to solicit investors.

II.

- 5. From January 2000 through January of 2001 Jag Entertainment and Cyber Production Consultants, through John and Jane Does Respondents 1-100, solicited Washington investors, via the telephone, to invest in the production of a game show called "The Live Auction Show!" At least four Washington residents invested a total of \$225,000 in Jag Entertainment based up these solicitations.
- 6. The Investors had no prior relationship with Jag Entertainment or the Jag Entertainment representatives that contacted them.
- 7. Investors were told that the "The Live Auction Show!" was a new concept that incorporated elements of traditional game shows and the Internet to which participants, from their homes, could bid in an auction style format for products and services. Investors were told that the money being raised was to be used for production costs to shoot the pilot and future shows.
- 8. Investors were told that they would receive 75% of their investment back if the pilot was aired once and 100% of their investment back if the show was aired a second time. Investors would then receive 25% of the net revenues of all future airings of the show.
- 9. Investors, who expressed an interest based on the telephone representations, were sent offering documents. The offering documents included a Private Offering Memorandum for Jag Entertainment Unit Investment Trust, a Subscription Agreement and a Purchaser Questionnaire. The Private Offering Memorandum states that Jag is seeking to raise \$4,000,000 (400 units at \$10,000 a unit) toward the development of the game show. The memorandum also states that Jon Gentile, the President of Cyber

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Productions Consultants, was the President of Western Trading Group, a "dealer of investment quality precious metals and international currencies" from 1985 to 1992.

- 10. Investors also received a document entitled "The Live Auction Show! Projections." According to the projections document, an investor who invested \$10,000 could receive \$231,017 within three years based upon a number of revenue sources. This equates to a return of over 20 times the initial investment amount within three years.
- 11. Investors received an invitation to a taping of the game show in Las Vegas as well as a videotape of the pilot episode after their initial investment. Based upon this, and the positive comments of Gentile and others, three of the Washington investors made additional investments in Jag Entertainment.

III.

12. The respondents failed to provide investors with material information about the investment opportunity described above, including but not limited to, a reasonable basis for the financial projections supplied by Jag Entertainment. Respondents also failed to disclose to investors that Gentile settled a Federal Trade Commission (FTC) enforcement action in 1993. Although denying the allegations in the settlement, the FTC alleged that Gentile made misrepresentations in the investment potential and risks associated with investing in precious metals. The settlement prohibits Gentile from misrepresenting the investment potential, risk or any other material feature of any investment he offers in the future.

IV.

- 13. The offer and/or sale of Jag Entertainment Unit Investments by Jag Entertainment, Cyber Production Consultants and Gentile are not registered under the Securities Act of Washington nor has the offer and/or sale previously been so registered.
- 14. Jon Gentile, is not currently registered as a securities salesperson or broker-dealer in the state of Washington and have not previously been so registered.

Based upon the foregoing Findings of Fact the following Conclusions of Law are made.

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CONCLUSIONS OF LAW

I.

15. The offer and/or sale of Jag Entertainment Unit Investments described above constitutes the offer and/or sale of securities as defined in RCW 21.20.005 (10) and (12).

II.

16. The offer and/or sale of said securities was made in violation of RCW 21.20.010, the anti-fraud provision of the Securities Act, because the Respondent omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

III.

17. The offer and/or sale of said securities is in violation of RCW 21.20.140, the registration section of the Securities Act, because no registration for such offer and/or sale is on file with the Securities Administrator of the state of Washington.

IV.

18. Respondent Jon Gentile and Respondents has violated RCW 21.20.040 by offering and/or selling said securities while not registered as a broker-dealer or securities salesperson in the state of Washington.

CONSENT ORDER

Based upon the foregoing:

IT IS AGREED AND ORDERED that Respondents, Jag Entertainment, Cyber Production Consultants and Jon Gentile, their agents and employees each shall cease and desist from offering or selling securities in violations of RCW 21.20.140, the securities registration section of the Securities Act of Washington.

IT IS FURTHER AGREED AND ORDERED that Respondents, Jag Entertainment, Cyber Production Consultants and Jon Gentile, their agents and employees each shall cease and desist from

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360-902-8760

1	SIGNED and ENTERED this 12 th day of October, 2005		
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3		Quidal E, Stevenson	
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5		MICHAEL E. STEVENSON Securities Administrator	
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7	Approved by: An Eller	Presented by:	
8	An Elle	TTLet	
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10	Suzanne Sarason	Tyler Letey	
11	Program Manager Compliance & Examinations	Financial Legal Examiner	
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