

State of Missouri
Office of Secretary of State

Case No. AP-06-19

IN THE MATTER OF:

OMNI MEDIA & ENTERTAINMENT, INC.;

Respondents.

Serve: Omni Media & Entertainment, Inc. at:
4936 Link Side Drive
Las Vegas, Nevada 89130

CONSENT ORDER

WHEREAS, the Missouri Securities Division alleges Respondents Omni Media & Entertainment, Inc., and Cary Davis, offered unregistered, nonexempt securities in the form of investment contracts in Missouri in violation of § 409.3-301, RSMo Supp. 2005.

WHEREAS, Respondents and the Securities Division desire to settle this allegation and the matters raised by the staff of the Securities Division relating to Respondents alleged unregistered investment activities.

WHEREAS, Respondents stipulates and agrees to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein and it waives its right to a hearing with respect to this matter and further stipulates and agrees that it waives any right it may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Consent Order.

WHEREAS, Respondents forever releases and agrees to hold harmless the Missouri Office of Secretary of State, Securities Division and its respective representatives and agents from any and all liability and claims arising out of, pertaining to or relating to this matter.

WHEREAS, Respondents stipulates and agrees that, should the facts contained herein prove to be false or incomplete, the Missouri Division of Securities preserves the right to pursue any and all legal or administrative remedies at its disposal.

WHEREAS, Respondents and the Securities Division stipulate and agree to the following facts.

STIPULATION OF FACTS

1. Omni Media & Entertainment, Inc. ("OM&E") is a Nevada corporation operating in the State of Nevada with a business address of 4936 Link Side Drive, Las Vegas, Nevada 89130. OM&E is in the business of marketing poker. OM&E attempts to raise funds for the purpose of taking its company "public."
2. At all relevant times, Cary Davis ("Davis") was the president of OM&E. Davis' last known business address was 4936 Link Side Drive, Las Vegas, Nevada 89130.
3. At all relevant times, Sharon Caswell ("Caswell") was an agent of OM&E. Caswell's last known business address was 4936 Link Side Drive, Las Vegas, Nevada 89130.
4. At all relevant times, Frank Goldstein ("Goldstein") was an agent of OM&E. Goldstein's last known business address was 4936 Link Side Drive, Las Vegas, Nevada 89130.
5. On or about November 11, 2005, a Missouri resident ("MR") received an unexpected telephone call from Caswell. Caswell introduced OM&E to MR and told MR about an investment opportunity.
6. Among other things, MR was told by Caswell:
 1. "...this offering pays 8% interest and has a high upside potential."
 2. The minimum offering was 10,000 shares at a \$1 a share or \$10,000 per "unit."
 3. If MR was not liquid, MR could use funds from MR's IRA account, because the offering was "IRA approved."
 4. That a senior executive would be calling MR to explain the "amount of money the offering can create" for MR, as well as discuss the investment offering in greater detail.
7. Between November 11, 2005 and November 22, 2005, MR received a follow-up call from Goldstein. Among other things, Goldstein briefly discussed with MR the OM&E offering:

1. That class A preferred shareholders would earn 8% interest paid quarterly on MR's initial investment and that the 8% was a guaranteed return.
2. When the stock went public in 18-24 months on the NASDAQ, it would be worth at least \$5 a share.
3. That initial investors could "cash out" with the major shareholders and make at least ten (10) times their initial investment.
8. On November 23, 2005, MR received a package ("November 23, 2005 Package") from OM&E outlining the investment offering. Included in the package, among other things, was a Confidential Private Placement Memorandum ("PPM"), a Subscription Agreement, an Investor Suitability Survey, and a "Direct Rollover Form" for an IRA transfer.
9. On December 1, 2005 and December 5, 2005, MR received two (2) additional follow-up calls from Goldstein. During these calls, among other things, Goldstein discussed the PPM and the supporting documents that were included in the November 23, 2005 Package.
10. A check of the records maintained by the Missouri Commissioner of Securities contained no registration, granted exemption, or notice filing indicating status as a "federal covered security" for the security being offered by Respondent.
11. On January 26, 2006, the Division of Securities mailed a letter of inquiry via certified mail to OM&E in Las Vegas, Nevada. That letter requested a claim of exemption from registration or exception from definition upon which Respondents relied in allegedly offering unregistered securities or any claim that the security was a federal covered security.
12. On February 8, 2006, Respondent Davis, mailed a response to the Securities Division's letter wherein he stated, in part:

Your letter has brought to my attention that we have inadvertently solicited residents of the state of Missouri. This was purely by an accident that was caused by the company that clears information for us. The problem has been resolved and won't happen again. There were three packages sent to Missouri. A [name of a Missouri resident] made a purchase of 10,000 shares of stock for \$10,000. However, [name of a Missouri resident] submitted the funds from the state of Florida and claimed that he was a resident there. We have since refunded [name of a Missouri resident] money in full. Sorry for the misunderstanding. We have implemented changes to make sure this won't happen again. . .

13. Respondents were not registered to offer and sell securities in the State of Missouri.
14. Respondents offered and sold unregistered, nonexempt securities to a Missouri resident.
15. This Order is in the public interest.

JURISDICTIONAL BASIS

16. Respondents and the Securities Division stipulate and agree that the Commissioner has jurisdiction over these matters pursuant to Chapter 409, RSMo Supp. 2005.
17. Section 409.3-301, RSMo Supp. 2005, provides that it is unlawful for any person to offer or sell any security in this state unless (1) the security is a federal covered security; (2) the security, transaction, or offer is exempted from registration under sections 409.2-201 to 409.2-203; or (3) the security is registered under this act.
18. The Missouri Commissioner of Securities is empowered to issue such orders as he may deem just. Section 409.6-604(a), RSMo Supp. 2005.
19. In an order under section 409.6-604(c), RSMo, the commissioner may impose a civil penalty up to one thousand dollars for a single violation or up to ten thousand dollars for more than one violation. Section 409.6-604(d), RSMo Supp. 2005.
20. In a final order under section 409.6-604(c), RSMo, the commissioner may charge the actual cost of an investigation for a violation of this act. Section 409.6-604(e), RSMo Supp. 2005. Such funds may be paid into the investor education and protection fund. *Id.*
21. Section 409.6-604(h), RSMo, provides that the commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.
22. Respondents and the Securities Division stipulate and agree that the Commissioner has authority to enter this Consent Order pursuant to § 409.6-604 (h), RSMo Supp. 2005, which provides:

[T]he commissioner shall have full power in each case to make such order or orders under this section as he may deem just and he may either prohibit the further sale by such persons of any securities connected with or related to said fraudulent or illegal practices or transaction, or he may fix the terms and conditions on which the sale of such securities may be made . . . and it is hereby made unlawful for any person having been served with any such

order, or having knowledge of the issuance of said order, while said order remains in effect, either as originally issued or as modified, to violate any provisions thereof.

ORDER

WHEREAS, the Commissioner, after consideration of the stipulations set forth above and on the consent of Respondents and the Securities Division, finds the following Order to be in the public interest and necessary for the protection of public investors and consistent with the provisions of Chapter 409, RSMo Supp. 2005.

NOW, THEREFORE, it is hereby Ordered that:

1. Respondents, its agents, employees and servants are prohibited from violating § 409.3-301, RSMo., Supp. 2005, by offering or selling securities in Missouri without registering or qualifying for an applicable exemption.
2. Upon execution of this Order, Respondents shall pay a civil penalty of three thousand dollars (\$3,000) made payable to "The Missouri Secretary of State" and the Secretary of State shall forward these funds to the State treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondents shall make said payment by cashier's check or money order and must deliver or mail payment to the Securities Division, 600 W. Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
3. Upon execution of this Consent Order, Respondents must pay two thousand dollars (\$2,000) to the Missouri Investor Education and Protection Fund for the costs of this investigation. Respondents' payment must be by cashier's check, money order, or any other immediately available funds and made payable to the Missouri Secretary of State. Respondent must deliver or send this payment to the Securities Division, 600 W. Main Street, PO Box 1276, Jefferson City, Missouri 65102
4. Respondents will pay their own costs and attorneys fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 6TH DAY OF JULY, 2006.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI
COMMISSIONER OF SECURITIES

Consented to by:

Missouri Securities Division

Lori Neidel
Chief Enforcement Counsel

OMNI MEDIA & ENTERTAINMENT, INC.

Cary Davis, President