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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

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IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Securities Act of the State
of Washington by:

JAG ENTERPRISES, INC. dba JAG
ENTERTAINMENT; CYBER PRODUCTION
CONSULTANTS; JON GENTILE; JOHN AND
JANE DOE RESPONDENTS 1-100; their
employees and agents,

Respondents.

Order No. S-03-055-04-TO02

**SUMMARY ORDER TO CEASE AND DESIST
AND NOTICE OF INTENT TO IMPOSE FINE**

Case No. S-03-055

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THE STATE OF WASHINGTON TO: Jag Enterprises, Inc.
Cyber Production Consultants
Jon A. Gentile

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Jag Enterprises, Inc. dba Jag Entertainment, Cyber Production Consultants, Jon A. Gentile and John and Jane Doe Respondents 1-100 have each violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 against each of them to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to the investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

I. Respondent

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

**SUMMARY ORDER TO CEASE AND
DESIST**

1 10. Investors also received a document entitled "The Live Auction Show! Projections." According to the
2 projections document, an investor who invested \$10,000 could receive \$231,017 within three years based upon a number
3 of revenue sources. This equates to a return of over 20 times the initial investment amount within three years.

4 11. Investors received an invitation to a taping of the game show in Las Vegas as well as a videotape of the
5 pilot episode after their initial investment. Based upon this, and the positive comments of Gentile and others, three of the
6 Washington investors made additional investments in Jag Entertainment.

7 III. Misrepresentations and Omissions in Connection with the Offering

8 12. The Respondents failed to provide investors with a disclosure document containing material
9 information about the investment opportunity described above, including but not limited to, a reasonable basis for the
10 financial projections supplied by Jag Entertainment. Respondents also failed to disclose to investors that Gentile and
11 Western Trading Group were subject to a Federal Trade Commission (FTC) enforcement action for
12 misrepresentations in the investment potential and risks associated with investing in precious metals. The 1993
13 settlement between the FTC and Gentile and Western Trading Group prohibits Gentile from misrepresenting the
14 investment potential, risk or any other material feature of any investment he offers in the future.

15 IV. Registration Status

16 13. The offer and/or sale of Jag Entertainment Unit Investments by Jag Entertainment, Cyber Production
17 Consultants and Gentile are not registered under the Securities Act of Washington nor has the offer and/or sale
18 previously been so registered.

19 14. Jon Gentile and Respondents John and Jane Doe, 1-100, are not currently registered as a securities
20 salesperson or broker-dealer in the state of Washington and have not previously been so registered.

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

22 **CONCLUSIONS OF LAW**

23 I. Securities

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

1 II. Anti-Fraud Provision

2 16. The offer and/or sale of said securities was made in violation of RCW 21.20.010 because the
3 Respondent made misstatements of material fact or omitted to state material facts necessary in order to make the
4 statements made, in the light of the circumstances under which they were made, not misleading.

5 III. Registration of Securities

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

9 IV. Registration of Broker-Dealer and Salespersons

10 18. Respondent Jon Gentile and Respondents John and Jane Doe, 1-100, have violated RCW 21.20.040 by
11 offering and/or selling said securities while not registered as a broker-dealer or securities salesperson in the state of
12 Washington.

13 **EMERGENCY**

14 The Securities Administration finds that an emergency exists and that the continued offers or sales of said
15 investment opportunities in violation of RCW 21.20.010, RCW 21.20.140 and RCW 21.20.040, constitute a threat to the
16 investing public. Accordingly, a Summary Order to Cease and Desist from those violations is in the public interest and
17 necessary for the protection of the investing public.

18 **SUMMARY ORDER**

19 Based upon the foregoing, IT IS THEREFORE HEREBY SUMMARILY ORDERED that Respondents Jag
20 Enterprises, Inc., Cyber Production Consultants, Jon Gentile, John and Jane Doe Respondents 1-100, their agents, and
21 employees shall each cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act.

22 It is further SUMMARILY ORDERED that Respondents Jag Enterprises, Inc., Cyber Production Consultants,
23 Jon Gentile, John and Jane Doe Respondents 1-100, their agents and employees shall each cease and desist from
24 violating RCW 21.20.140, the securities registration section of the Securities Act.

1 It is further SUMMARILY ORDERED that Respondent Jon Gentile, Respondents John and Jane Doe, 1-100,
2 their agents and employees shall each cease and desist from violating RCW 21.20.040, the broker-dealer and securities
3 salesperson registration section of the Securities Act.

4 **NOTICE OF INTENT TO IMPOSE FINE**

5 Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions of Law, the
6 Securities Administrator finds that Respondents Jag Enterprises, Inc., Cyber Production Consultants and Jon Gentile
7 have committed a knowing or reckless violation of the Securities Act such that the imposition of a fine is required.
8 Therefore, the Securities Administrator intends to order that the Respondents shall jointly and severally pay a fine in the
9 amount of \$20,000.

10 **AUTHORITY AND PROCEDURE**

11 This Order is entered pursuant to the provisions of RCW 21.20.390, and RCW 21.20.395, and is subject to the
12 provisions of Chapter 34.05 RCW. The Respondents, Jag Enterprises, Inc., Cyber Production Consultants, Jon Gentile
13 and Respondents John and Jane Doe, 1-100, may each make a written request for a hearing as set forth in the NOTICE
14 OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Order. A request for a
15 hearing should be in writing and sent to Michael E. Stevenson, Securities Administrator, Department of Financial
16 Institutions, P.O. Box 9033, Olympia, Washington 98507-9033.

17 If a respondent does not request a hearing, the Securities Administrator intends to adopt the above Tentative
18 Findings of Fact and Conclusions of Law as final and make the Summary Order to Cease and Desist permanent as to that
19 Respondent and impose the fine as set forth.

20 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

21 DATED and ENTERED this 28th day of September, 2004

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23 Michael E. Stevenson
24 Securities Administrator

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Approved by:

Presented by:

Martin Cordell

Tyler Letey

Martin Cordell
Chief of Enforcement

Tyler Letey
Financial Legal Examiner

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