

1 **STATE OF WASHINGTON**  
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**  
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING  
5 whether there has been a violation  
6 of the Securities Act of Washington by:

7 AMERICAN ENTERPRISES, INC.;  
8 ENTERTAINMENT FUNDS, INC.; THE  
9 ENTERTAINMENT GROUP FUND, INC.;  
10 WORLDWIDE ENTERTAINMENT, INC.;  
11 JACK UTSICK; DONNA YEAGER;  
12 ROBERT YEAGER; EFI No. 32 LLC; EFI  
No. 33 LLC; EFI No. 34 LLC; EFI No. 35  
LLC; EFI No. 36 LLC; EFI No. 37 LLC;  
SUMMER 2003 LLC; BOOT AND  
TUXEDO 2003 LLC; BIG FOUR-OH LLC;  
PINBALL WIZARD LLC; WUHLHEIDE  
OPEN AIR LLC; WINTER 2005 LLC; "D"  
DANCING WORLDWIDE LLC,

Respondents.

Order Number S-05-041-07-SC01

STATEMENT OF CHARGES AND NOTICE  
OF INTENT TO ENTER ORDER TO CEASE  
AND DESIST, IMPOSE FINES, AND  
RECOVER COSTS

13 THE STATE OF WASHINGTON TO:

American Enterprises, Inc.  
Entertainment Funds, Inc.  
The Entertainment Group Fund, Inc.  
Worldwide Entertainment, Inc.  
Jack Utsick  
Donna Yeager  
Robert Yeager  
EFI No. 32 LLC  
EFI No. 33 LLC  
EFI No. 34 LLC  
EFI No. 35 LLC  
EFI No. 36 LLC  
EFI No. 37 LLC  
Summer 2003 LLC  
Boot and Tuxedo 2003 LLC  
Big Four-Oh LLC  
Pinball Wizard LLC  
Wuhlheide Open Air LLC  
Winter 2005 LLC  
"D" Dancing Worldwide LLC

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24 STATEMENT OF CHARGES AND NOTICE OF INTENT TO ENTER  
ORDER TO CEASE AND DESIST, IMPOSE FINES, AND RECOVER  
COSTS

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**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

1 **STATEMENT OF CHARGES**

2 Please take notice that the Securities Administrator of the State of Washington has reason to  
3 believe that Respondents, American Enterprises, Inc.; Entertainment Funds, Inc.; The Entertainment  
4 Group Fund, Inc.; Worldwide Entertainment, Inc.; Jack Utsick; Donna Yeager; Robert Yeager; EFI  
5 No. 32 LLC; EFI No. 33 LLC; EFI No. 34 LLC; EFI No. 35 LLC; EFI No. 36 LLC; EFI No. 37 LLC;  
6 Summer 2003 LLC; Boot and Tuxedo 2003 LLC; Big Four-Oh LLC; Pinball Wizard LLC; Wuhlheide  
7 Open Air LLC; Winter 2005 LLC; and “D” Dancing Worldwide LLC, have violated the Securities Act  
8 of Washington and that their violations justify the entry of an order of the Securities Administrator under  
9 RCW 21.20.390 against each to cease and desist from such violations. The Securities Administrator finds  
10 as follows:

11 **TENTATIVE FINDINGS OF FACT**

12 Respondents

13 1. American Enterprises, Inc. (“American Enterprises”) is a Florida corporation established on  
14 October 17, 2001 with its principal place of business at 3822 NE 199th Terrace, Aventura, Florida 33180  
15 and a mailing address of 143 Fashion Blvd., Hahnville, Louisiana 70057. American Enterprises was  
16 administratively dissolved on September 15, 2006 for failure to file an annual report.

17 2. Entertainment Funds, Inc. is a Florida corporation established on October 26, 2000 which  
18 had its principal place of business at 3822 NE 199th Terrace, Aventura, Florida 33180. On December 1,  
19 2001, the operations of Entertainment Funds, Inc. were reorganized as American Enterprises, a  
20 separate corporate entity. Entertainment Funds, Inc. was administratively dissolved on September 15,  
21 2006 for failure to file an annual report.

1           3.    The Entertainment Group Fund, Inc. is a Florida corporation established on April 1, 1994  
2 with its principal place of business at 810 Saturn Street, Suite 16, Jupiter, Florida 33477. The  
3 Entertainment Group Fund, Inc. was administratively dissolved on September 15, 2006 for failure to file  
4 an annual report.

5           4.    Worldwide Entertainment, Inc. is a Delaware corporation solely owned by Jack Utsick.

6           5.    Jack Utsick is a resident of Miami Beach, Florida. Utsick is a concert promoter. He is  
7 president of The Entertainment Group Fund, Inc. and Worldwide Entertainment, Inc.

8           6.    Donna Yeager is a resident of Hahnville, Louisiana. Donna Yeager is President of  
9 American Enterprises.

10          7.    Robert Yeager is a resident of Hahnville, Louisiana. Robert Yeager is a former airline  
11 pilot. He is sole shareholder and director of American Enterprises and was sole shareholder and  
12 principal of Entertainment Funds, Inc.

13          8.    EFI No. 32 LLC is a South Carolina limited liability company established June 27, 2002  
14 with its principal place of business at 143 Fashion Blvd., Hahnville, Louisiana 70057. EFI No. 32 LLC  
15 is also known as Timelines LLC. EFI No. 32 LLC is managed by American Enterprises.

16          9.    EFI No. 33 LLC is a South Carolina limited liability company established July 1, 2002  
17 principal place of business at 143 Fashion Blvd., Hahnville, Louisiana 70057. EFI No. 33 LLC is  
18 managed by American Enterprises.

19          10.   EFI No. 34 LLC is a South Carolina limited liability company established October 29,  
20 2002 principal place of business at 143 Fashion Blvd., Hahnville, Louisiana 70057. EFI No. 34 LLC is  
21 managed by American Enterprises.

1           11.   EFI No. 35 LLC is a South Carolina limited liability company established October 29,  
2 2002 principal place of business at 143 Fashion Blvd., Hahnville, Louisiana 70057. EFI No. 35 LLC is  
3 managed by American Enterprises.

4           12.   EFI No. 36 LLC is a South Carolina limited liability company established December 27,  
5 2002 principal place of business at 143 Fashion Blvd., Hahnville, Louisiana 70057. EFI No. 36 LLC is  
6 managed by American Enterprises.

7           13.   EFI No. 37 LLC is a South Carolina limited liability company established March 3, 2003  
8 principal place of business at 143 Fashion Blvd., Hahnville, Louisiana 70057. EFI No. 37 LLC is  
9 managed by American Enterprises.

10          14.   Summer 2003 LLC is a South Carolina limited liability company established May 7,  
11 2003 principal place of business at 143 Fashion Blvd., Hahnville, Louisiana 70057. Summer 2003 LLC  
12 is managed by American Enterprises.

13          15.   Boot and Tuxedo 2003 LLC (also known as Boots and Tuxedo LLC) is a South Carolina  
14 limited liability company established September 19, 2003 principal place of business at 143 Fashion  
15 Blvd., Hahnville, Louisiana 70057. Boot and Tuxedo LLC is managed by American Enterprises.

16          16.   Big Four-Oh LLC is a South Carolina limited liability company established January 20,  
17 2004 principal place of business at 143 Fashion Blvd., Hahnville, Louisiana 70057. Big Four-Oh LLC  
18 is managed by American Enterprises.

19          17.   Pinball Wizard LLC is South Carolina limited liability company established January 20,  
20 2004 principal place of business at 143 Fashion Blvd., Hahnville, Louisiana 70057. Pinball Wizard LLC  
21 is managed by American Enterprises.

1 18. Wuhlheide Open Air LLC is a South Carolina limited liability company established  
2 April 22, 2004 principal place of business at 143 Fashion Blvd., Hahnville, Louisiana 70057.  
3 Wuhlheide Open Air LLC is managed by American Enterprises.

4 19. Winter 2005 LLC is a Florida limited liability company established on November 19,  
5 2004 with its principal place of business at 3822 199th Terrace, Aventura, Florida 33180 and a mailing  
6 address of 143 Fashion Blvd., Hahnville, Louisiana 70057. Winter 2005 LLC is managed by American  
7 Enterprises. Winter 2005 LLC was administratively dissolved on September 15, 2006 for failure to  
8 file and annual report.

9 20. "D" Dancing Worldwide LLC is a Florida limited liability company established on  
10 March 21, 2005 with its principal place of business at 3822 199th Terrace, Aventura, Florida 33180.  
11 "D" Dancing Worldwide LLC is managed by American Enterprises, Inc. "D" Dancing Worldwide  
12 LLC was administratively dissolved on September 15, 2006 for failure to file an annual report.

13 Nature of the Offerings

14 *Introduction*

15 21. Respondents raised a total of \$3,149,217 from twenty-two different Washington residents  
16 between 2001 and 2005. These offers of securities in Washington were part of a broader sale by  
17 Respondents of at least \$207 million in securities to at least 2,000 investors nationwide between 1998  
18 and 2005. The following investments were sold to Washington residents:

- 19 • Nine promissory notes were sold by American Enterprises to six Washington  
20 residents between 2001 and 2002 . Sales totaled \$210,109.
- 21 • Seventy-two sales of LLC units and promissory notes in thirteen different LLCs  
22 managed by American Enterprises, Inc. and Entertainment Funds, Inc., for the benefit

1 of Worldwide Entertainment, Inc. and The Entertainment Group Fund, Inc., were  
2 made to twenty-one Washington residents between 2002 and 2005. Sales totaled  
3 \$2,689,108.

- 4 • Five promissory notes were sold by American Enterprises on behalf of Worldwide  
5 Entertainment, Inc. to five Washington residents to fund a joint Neil Diamond and  
6 Barbra Streisand concert tour. Sales totaled \$250,000.

7 *Project #27, Project #28, Project #29, and Project #30*

8 22. Respondent American Entertainment claimed an exemption from registration and  
9 conducted four private placement offerings in Washington under Regulation D, Rule 506. Money was  
10 raised to fund concert tours and other entertainment events. These offerings were promissory note  
11 investments in events called Project #27, Project #28, Project #29, and Project #30. Nationwide, these  
12 Projects had 196 investors, 190 investors, 216 investors, and 168 investors, respectively. At least nine  
13 sales were made to six Washington residents between 2001 and 2002 totaling at least \$210,109.

14 *LLC Investments*

15 23. Starting in 2002, American Enterprises formed and then managed the following LLCs to  
16 raise funds for concert tours and shows by well-known artists and stage productions: EFI No. 32 LLC;  
17 EFI No. 33 LLC; EFI No. 34 LLC; EFI No. 35 LLC; EFI No. 36 LLC; EFI No. 37 LLC; Summer 2003 LLC;  
18 Boot and Tuxedo 2003 LLC; Big Four-Oh LLC; Pinball Wizard LLC; Wuhlheide Open Air LLC; Winter 2005  
19 LLC; and "D" Dancing Worldwide LLC.

20 24. The LLCs formed by American Enterprises had limited operations; each LLC had a  
21 business loan agreement to loan proceeds raised from investors to The Entertainment Group Fund, Inc.  
22 to promote concerts and events arranged by Jack Utsick. The business loan agreement determined the  
23 rate of interest offered to investors, which varied for each LLC. Each LLC had funding dates by which

1 all investor funds needed to be committed to the project, followed by fixed investment periods during  
2 which interest was earned. Interest was generally payable to investors at the end of the investment  
3 period, but in certain cases it was paid each six months, depending on the terms of the business loan  
4 agreement with The Entertainment Group Fund, Inc.

5 25. Investors were offered three types of investments. Investors could purchase Class A LLC  
6 units for \$1,000 a unit. American Enterprises was the only Class B unit holder and the only LLC  
7 member with management rights. In most cases, investors purchasing LLC units were offered a  
8 proportional percentage of the profits payable after the investment period ended. In addition to selling  
9 LLC units, Respondents offered investors who were using funds from IRA or 401(k) accounts the  
10 opportunity to lend money to the LLCs through unsecured promissory notes. The interest rates for the  
11 promissory notes were the same as for the LLC units. However, investors using IRA and 401(k)  
12 money were not allowed to participate in the profit-sharing. Funds from IRA and 401(k) accounts  
13 were administered by American National Pension Service, Inc., a Florida corporation and an affiliate  
14 of American Enterprises. As a third way to invest, investors were also able to become Direct Loan  
15 Participants. These investors signed unsecured promissory notes with the LLCs using after-tax money.  
16 Direct Loan Participants received the same interest rate as the other methods of investing but did not  
17 participate in profit-sharing.

18 26. When projects completed their term of investment, investors were allowed to cash out or  
19 roll their funds into new projects. For certain projects, Respondents offered additional periods in  
20 which to earn interest before a new project began if investors agreed to roll over their principal and  
21 proceeds from previous projects.

1           27. The LLCs used a private placement memorandum which was essentially the same for  
2 each LLC, differing only in the rate of return and investment period for each project. All the Private  
3 Placement Memoranda for the LLCs state that the sales of LLC units and promissory notes were made  
4 pursuant to Regulation D, Rule 506. The Private Placement Memoranda state that investors must be  
5 accredited or demonstrate sufficient “knowledge and experience in financial and business matters to be  
6 capable of evaluating the merits and risks of the proposed investment.” Investors were required to fill  
7 out suitability questionnaires in order to invest in the offerings.

8           28. Investors were located primarily by Robert Yeager. Robert Yeager received  
9 commissions for sales of investments which were couched as fees to his company IAM-YOGI for  
10 providing “consulting services” to The Entertainment Group Fund, Inc. American Enterprises  
11 provided regular newsletters to investors and interested parties which detailed the status of “projects”  
12 that were maturing and described upcoming offerings. Investors got on the mailing list through  
13 referral from Robert Yeager or through calling American Enterprises to request information.  
14 Newsletters were sent to at least 53 Washington residents between 2001 and 2005, including all 22  
15 who invested in the securities sold by American Enterprises in Washington.

16                                 *EFI No. 32 LLC (aka Timelines)*

17           29. EFI No. 32 LLC raised money for shows by Riverdance, the Red Hot Chili Peppers, and  
18 Faith Hill. EFI No. 32 LLC had a maximum offering amount of \$20 million with no minimum  
19 specified. The minimum investment per investor was \$5,000. EFI No. 32 LLC had an 18-month term  
20 from August 16, 2002 to February 15, 2004. Investors would earn 9% interest for the first six months,  
21 11% interest for the second six months, and 12% interest for the final six months, payable each six  
22 months. Those purchasing LLC units would receive 5% of the profits. Following completion of the



1 18-month term, American Enterprises offered an extension of EFI No. 32 which it called Timelines.  
2 Participants were allowed to invest for another 18 months under the same interest rates as the original  
3 investment. Funds from the extension would be used to fund an Eric Clapton tour. Only current EFI  
4 No. 32 LLC investors were allowed to participate in the Timelines extension.

5 30. Four Washington residents invested a total of \$233,398 in EFI No. 32 LLC, of which  
6 \$53,398 were new funds and \$180,000 were funds rolled over from previous investments offered by  
7 Respondents. One investor rolled proceeds of \$11,496 from his first investment into the Timelines  
8 extension. Three investors were not accredited investors.

9 *EFI No. 33 LLC*

10 31. EFI No. 33 LLC raised money for tours by Bon Jovi and Bob Dylan. EFI No. 33 LLC  
11 had a maximum offering amount of \$10 million and a minimum of \$4 million. The minimum  
12 investment per investor was \$5,000. EFI No. 33 LLC had a 12-month term from October 25, 2002 to  
13 October 25, 2003. Investors would earn 18% interest, payable no later than November 10, 2003.  
14 Those purchasing LLC units would receive 5% of the profits.

15 32. Six Washington residents invested a total of \$127,845 in EFI No. 33 LLC, of which  
16 \$43,345 were new funds and \$84,500 were funds rolled over from previous investments offered by  
17 Respondents. Two of the investors were not accredited investors. One investor did not supply enough  
18 information of the suitability questionnaire to determine accredited status.

19 *EFI No. 34 LLC*

20 33. EFI No. 34 LLC raised money for tours featuring the Red Hot Chili Peppers and the  
21 Rolling Stones. EFI No. 34 LLC had a maximum offering amount of \$7 million and a minimum of \$4  
22 million. The minimum investment per investor was \$5,000. EFI No. 34 LLC had a 24-month term

1 from December 20, 2002 to December 20, 2004. Investors would earn 9.75% interest for each six  
2 months, which was payable each six months. No profit-sharing was offered for this LLC.

3 34. Two Washington residents invested a total of \$16,000 in EFI No. 34 LLC, all of which  
4 were new funds. One investor was not an accredited investor.

5 *EFI No. 35 LLC*

6 35. EFI No. 35 LLC raised money for a Cher concert tour. EFI No. 35 LLC had a maximum  
7 offering amount of \$7 million and a minimum of \$4 million. The minimum investment per investor  
8 was \$5,000. EFI No. 35 LLC had a 6-month term from December 20, 2002 to June 20, 2003. Investors  
9 would earn 9% interest, payable at the end of the term. Those purchasing LLC units would receive 5%  
10 of the profits.

11 36. Five Washington residents invested a total of \$200,000 in EFI No. 35 LLC, of which  
12 \$110,185 were new funds and \$89,815 were funds rolled over from previous investments offered by  
13 Respondents. Four investors were not accredited investors.

14 *EFI No. 36 LLC*

15 37. EFI No. 36 LLC raised money for shows featuring the Rolling Stones and Fleetwood  
16 Mac. EFI No. 36 LLC had a maximum offering amount of \$8 million and a minimum of \$1.5 million.  
17 The minimum investment per investor was \$20,000. EFI No. 36 LLC had a 12-month term from  
18 February 15, 2003 to February 15, 2004. Investors would earn 19.5% interest, payable at the end of  
19 the term. LLC unit purchasers would earn 19.5% interest or 35% of the net profits, whichever was  
20 greater.

21 38. Four Washington residents invested a total of \$125,000 in EFI No. 36 LLC, all of which  
22 were new funds.

1 39. After funding of EFI No. 36 LLC was completed, American Enterprises announced in a  
2 January 29, 2004 newsletter that the Rolling Stones and Fleetwood Mac concert had been postponed,  
3 and the funds were shifted to a tour for Robbie Williams. American Enterprises stated that the same  
4 interest rates would apply. Two investors were not accredited investors.

5 *EFI No. 37 LLC*

6 40. EFI No. 37 LLC raised money for various concerts held at the Wuhlheide Amphitheatre  
7 in Berlin, Germany, including concerts by David Bowie, The Red Hot Chili Peppers, Robbie Williams,  
8 Metallica, and Pearl Jam. EFI No. 37 LLC had a maximum offering amount of \$6 million and a  
9 minimum of \$3 million. The minimum investment per investor was \$10,000. EFI No. 37 LLC had a  
10 10-month term from May 15, 2003 to March 15, 2004. Investors would earn 15% interest, payable at  
11 the end of the term. Those purchasing LLC units would receive 4% of the profits.

12 41. Five Washington residents invested a total of \$84,500 in EFI No. 37 LLC, of which  
13 \$69,500 were new funds and \$15,000 were funds rolled over from previous investments offered by  
14 Respondents. Three investors were not accredited investors. One investor did not supply enough  
15 information on the suitability questionnaire to determine accredited status.

16 42. EFI No. 37 LLC filed a Form D with the Securities Exchange Commission on May 12,  
17 2003, and notice filed in Washington on May 5, 2003.

18 *Summer 2003 LLC*

19 43. Summer 2003 LLC raised money for various concerts for artists such as Santana, The  
20 Pretenders, Radiohead, Riverdance, Fleetwood Mac, Allan Jackson, and Mike Epps. Summer 2003  
21 LLC had a maximum offering amount of \$30 million and no minimum. The minimum investment per  
22 investor was \$10,000. Summer 2003 LLC had a 24-month term from September 15, 2003 to

1 September 14, 2005. Investors would earn 9.5% interest for every six-month period. Investors could  
2 withdraw their interest every six months, or allow it to compound. No profit-sharing was offered for  
3 this LLC. American Enterprises offered additional periods of interest earning for individuals rolling  
4 funds over from other American Enterprises projects which matured before Summer 2003 LLC's  
5 funding date. Those investing between June 20, 2003 and September 15, 2003, would receive 4.6%  
6 interest for this interim period. Those investing between July 1, 2003 and September 15, 2003 would  
7 receive 4% interest for this interim period.

8 44. After the term matured, investors in Summer 2003 LLC were given the opportunity to  
9 extend their investment between September 15, 2005 and November 15, 2005. Those requesting the  
10 extension would receive 3.16% interest for the period.

11 45. Nine Washington residents invested a total of \$718,344 in Summer 2003 LLC, of which  
12 \$172,644 were new funds and \$545,700 were funds rolled over from previous investments offered by  
13 Respondents. Eight investors were not accredited investors.

14 46. Summer 2003 LLC filed a Form D with the Securities Exchange Commission on June 12,  
15 2003, and notice filed in Washington on June 16, 2003.

16 *Boot and Tuxedo 2003 LLC (aka Boots and Tuxedo 2003 LLC)*

17 47. Boot and Tuxedo 2003 LLC raised money for concerts by Andrea Boccelli and Shania  
18 Twain. Boot and Tuxedo LLC had a maximum offering amount of \$8 million and no minimum. The  
19 minimum investment per investor was \$10,000. Boot and Tuxedo 2003 LLC had an 8-month term  
20 from November 5, 2003 to July 5, 2004. Investors would earn 12% interest, payable at the end of the  
21 term. Those purchasing LLC units would receive 5% of the profits.

1 48. Eight Washington residents invested a total of \$199,408 in Boot and Tuxedo 2003 LLC,  
2 of which \$48,136 were new funds and \$151,272 were funds rolled over from previous investments  
3 offered by Respondents. Three investors were not accredited investors.

4 49. Several Shania Twain concerts were postponed, which also postponed payment of profits  
5 to LLC members.

6 *Big Four-Oh LLC*

7 50. Big Four-Oh LLC raised money for shows featuring Eric Clapton. Big Four-Oh LLC had  
8 a maximum offering amount of \$20 million and no minimum. The minimum investment per investor  
9 was \$10,000. Big Four-Oh LLC had a 24-month term from March 16, 2004 to March 16, 2006.  
10 Investors would earn 9.25% interest for each six-month period, payable each six months. No profit-  
11 sharing was available for this LLC. Participants rolling funds over from Project #29 would receive an  
12 additional 1.75% interest for the interim period. Participants rolling funds over from EFI No. 36 LLC  
13 would receive an additional 1.5% interest for the interim period.

14 51. Four Washington residents invested a total of \$94,535 in Big Four-Oh LLC, of which  
15 \$51,700 were new funds and \$42,835 were funds rolled over from previous investments offered by  
16 Respondents. Three investors were not accredited investors.

17 *Pinball Wizard LLC*

18 52. Pinball Wizard LLC raised money for a tour by The Who. Pinball Wizard LLC had a  
19 maximum offering amount of \$20 million and no minimum. The minimum investment per investor  
20 was \$10,000. Pinball Wizard LLC had a 10-month term from March 16, 2004 to January 16, 2005.  
21 Investors would earn 15% interest, payable at the end of the term. Those purchasing LLC units would  
22 receive 4% of the profits. As with the Big Four-Oh LLC, participants rolling funds over from Project

1 #29 would receive an additional 1.75% interest for the interim period. Participants rolling funds over  
2 from EFI No. 36 LLC would receive an additional 1.5% interest for the interim period.

3 53. Four Washington residents invested a total of \$338,932 in Pinball Wizard LLC, of which  
4 \$125 were new funds and \$338,807 were funds rolled over from previous investments offered by  
5 Respondents. None of the investors were accredited investors.

6 *Wuhlheide Open Air LLC*

7 54. Wuhlheide Open Air LLC raised money for shows held in 2004 at the Wuhlheide  
8 Amphitheater in Berlin, Germany, including concerts by Aerosmith, David Bowie, Snoop Dogg,  
9 Rammstein, and Coldplay. Wuhlheide Open Air LLC had a maximum offering amount of \$20 million  
10 and no minimum. The minimum investment per investor was \$10,000. Wuhlheide Open Air LLC had  
11 a 12-month term from May 15, 2004 to May 15, 2005. Investors would earn 18% interest, payable at  
12 the end of the term. Those purchasing LLC units would receive 5% of the profits.

13 55. Four Washington residents invested a total of \$70,000 in Wuhlheide Open Air LLC, all  
14 of which were new funds. One investor was not an accredited investor. Another investor did not  
15 provide enough information on the suitability form to determine accredited status.

16 *Winter 2005 LLC*

17 56. Winter 2005 LLC raised money for concerts by artists such as Bette Midler, REM, and  
18 Sting. Winter 2005 LLC had a 12-month term from January 20, 2006 to January 21, 2006. Investors  
19 would earn 18% interest, payable at the end of the term. Those purchasing LLC units would receive  
20 3% of the profits. Participants rolling funds over from EFI No. 34 would receive 2% interest for the  
21 period from December 21, 2004 to January 20, 2005.

1 57. At least seven Washington residents invested a total of \$289,036 in Winter 2005 LLC, of  
2 which \$244,114 were new funds and \$44,922 were funds rolled over from previous investments  
3 offered by Respondents. Three investors were not accredited investors.

4 *“D” Dancing Worldwide LLC*

5 58. “D” Dancing Worldwide LLC raised money for a stage production of Dirty Dancing.  
6 “D” Dancing Worldwide LLC had a 48-month term from November 5, 2004 to November 5, 2008,  
7 with an option to renew for another 24 months after that. Investors would earn 10% interest for each  
8 six-month period, or 28% per annum, for the four-year term. Participants rolling over funds would  
9 receive 2.7% interest for the period between September 17, 2004 and November 5, 2004.

10 59. Nine Washington residents invested a total of \$360,614 in “D” Dancing Worldwide LLC,  
11 of which \$190,964 were new funds and \$209,342 were funds rolled over from previous investments  
12 offered by Respondents. Three investors were not accredited investors. One investor did not provide  
13 enough information on the suitability form to determine accredited status.

14 *Proposed Barbra Streisand and Neil Diamond Project*

15 60. On August 25, 2005, American Enterprises sent a newsletter to its mailing list. The letter  
16 stated at the top in bold lettering “ALL INFORMATION MUST BE KEPT HIGHLY  
17 CONFIDENTIAL PLEASE! -SPECIAL OPPORTUNITY-” The letter stated that Worldwide  
18 Entertainment had been offered the opportunity to fund a tour featuring Barbra Streisand and Neil  
19 Diamond provided that Worldwide Entertainment could raise the money in time. The letter stated that  
20 “[t]his will absolutely be the highest grossing concert tour of all time with the two premier artists of  
21 the century on stage together.” The letter further indicated that a strict confidentiality agreement had  
22 been signed with the artists which would require Worldwide Entertainment to pay a seven-figure fine

1 if word of the tour was leaked to anyone. The letter stated that American Enterprises was trying to  
2 raise ten million dollars in one to three weeks. Because of time constraints, an LLC could not be  
3 formed and no private placement memorandum could be provided. Instead, a direct loan would be  
4 offered between investors and Worldwide Entertainment which would be handled by American  
5 Enterprises.

6 61. The term of the loans would be for one year. Investors would earn 25% interest, or 20%  
7 of Worldwide Entertainment's share of the profits, whichever was higher. The minimum amount for  
8 participants to invest was \$50,000 each, limited to accredited investors only. Those who wished to  
9 invest were instructed to contact American Enterprises.

10 62. Five Washington residents signed promissory notes investing a total of \$250,000 in the  
11 Barbra Streisand and Neil Diamond tour. Neither Worldwide Entertainment nor American Enterprises  
12 took steps to assure that the investors were accredited or performed suitability analysis. Of the five  
13 Washington investors, two were not accredited according to previous suitability questionnaires  
14 completed for investments through American Enterprises. One investor appeared to have not invested  
15 in any previous projects offered by American Enterprises. The tour never occurred, but investors  
16 purportedly received their investment plus 25% interest.

17 Misuse of Investor Funds

18 63. Moneys collected from investors were loaned to Worldwide Entertainment and The  
19 Entertainment Group Fund. Corporate formalities between Worldwide Entertainment and The  
20 Entertainment Group Fund were not maintained and investor funds were used to pay general operating  
21 expenses of both entities. Once transferred to these entities, funds were commingled with the funds  
22 from various projects. As such, new investor funds were used to pay off earlier investors in projects



1 nearing completion. In addition, there was no way to determine the profitability of any of the projects  
2 as funds were deposited in common accounts and inadequate records were kept. Regardless, LLC unit  
3 investors were paid percentages of profits as their investments matured.

4 64. American National Pension Service, Inc. facilitated investments for American Enterprises  
5 for investors using funds from IRA and 401(k) accounts. An individual at American National Pension  
6 Service, Inc. misappropriated money from investor's accounts for personal use. American Enterprises  
7 failed to oversee the servicing on investor funds or determine that the amount of funds that were  
8 supposed to transfer actually did.

9 65. A receiver was appointed by the United States District Court for the Southern District of  
10 Florida for American Enterprises, Worldwide Entertainment, and The Entertainment Group Fund. The  
11 receiver has preliminarily determined that \$100 million is still owed to investors nationwide who  
12 invested in projects through American Enterprises.

13 Misrepresentations and Omissions

14 66. In its private placement memoranda, American Enterprises failed to disclose financial  
15 statements, use of proceeds, or the specific risks of investing funds from IRAs and 401(k)s in risky  
16 ventures such as the LLCs. In addition, the memoranda failed to disclose relevant securities orders  
17 from other states, including an Order of Prohibition against the Entertainment Group, Jack Utsick, and  
18 an Entertainment Group sales agent issued by Wisconsin on December 4, 1997; an Order to Summarily  
19 Revoke and Deny Exemptions And To Show Cause Why An Order To Impose Civil Penalty And To  
20 Cease And Desist Should Not Be Issued Pursuant to the Michigan Uniform Securities Act against  
21 Robert Yeager and Entertainment Group issued by the State of Michigan on July 17, 2000; and a  
22

1 Consent Order issued December 5, 2005 between Worldwide Entertainment and Jack Utsick and the  
2 Missouri Securities Division.

3 67. American Enterprises represented in its private placement memoranda that its offerings  
4 were made pursuant to the Regulation D Rule 506 exemption. American Enterprises failed to abide by  
5 the restrictions of Rule 506, including selling investments to more than 35 purchasers per offering and  
6 failing to file the required Form D for the majority of its offerings.

7 68. American Enterprises failed to ask adequate questions on its suitability forms to  
8 determine the knowledge and experience of investors in financial and business matters and whether  
9 investors would be capable of evaluating the merits of the proposed investment. For certain LLCs, the  
10 suitability questionnaire used by American Enterprises directed that net worth for determining  
11 accredited status include the value of the investor's residence. In addition, the suitability  
12 questionnaires were at times incomplete, and did not exclude the amount to be invested from  
13 calculations of net worth.

14 69. American Enterprises failed to disclose that Robert Yeager received commissions for the  
15 sales of investments. Instead, the private placement memoranda state only that The Entertainment  
16 Group Fund, Inc. has a "Business Consulting Agreement" with a company controlled by Mr. Robert  
17 Yeager. In some memoranda this company is identified as IAM-YOGI. IAM-YOGI is located in  
18 Frederiksted, St. Croix. In some memoranda the name of the consulting company is not specified.  
19 The agreement provides that a percentage of the net proceeds raised would be paid as a consulting fee.  
20 These fees ranged from 2.5% to 6%. For EFI No. 36 LLC, the consulting fee was 3.5% plus 2% of net  
21 profits.

1 70. American Enterprises failed to provide any offering memorandum, basis for projections,  
2 or other disclose documents for the Barbra Streisand and Neil Diamond tour.

3  
4 Registration Status

5 71. EFI No. 32 LLC is not currently registered to sell its securities in the State of Washington  
6 and has not previously been registered.

7 72. EFI No. 33 LLC is not currently registered to sell its securities in the State of Washington  
8 and has not previously been registered.

9 73. EFI No. 34 LLC is not currently registered to sell its securities in the State of Washington  
10 and has not previously been registered.

11 74. EFI No. 35 LLC is not currently registered to sell its securities in the State of Washington  
12 and has not previously been registered.

13 75. EFI No. 36 LLC is not currently registered to sell its securities in the State of Washington  
14 and has not previously been registered.

15 76. EFI No. 37 LLC is not currently registered to sell its securities in the State of Washington.  
16 EFI No. 37 LLC notice filed a Form D in Washington.

17 77. Summer 2003 LLC is not currently registered to sell its securities in the State of  
18 Washington. Summer 2003 LLC notice filed a Form D in Washington.

19 78. Boot and Tuxedo LLC is not currently registered to sell its securities in the State of  
20 Washington and has not previously been registered.

21 79. Big Four-Oh LLC is not currently registered to sell its securities in the State of  
22 Washington and has not previously been registered.

1 80. Pinball Wizard LLC is not currently registered to sell its securities in the State of  
2 Washington and has not previously been registered.

3 81. Wuhlheide Open Air LLC is not currently registered to sell its securities in the State of  
4 Washington and has not previously been registered.

5 82. Winter 2005 LLC is not currently registered to sell its securities in the State of  
6 Washington and has not previously been registered.

7 83. "D" Dancing Worldwide LLC is not currently registered to sell its securities in the State  
8 of Washington and has not previously been registered.

9 84. American Enterprises, Robert Yeager, and Donna Yeager are not currently registered as  
10 broker-dealers or securities salespersons in the State of Washington and have not previously been  
11 registered.

12  
13 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

14 **CONCLUSIONS OF LAW**

15 1. The offer and/or sale by American Enterprises, Inc.; Entertainment Funds, Inc.; The  
16 Entertainment Group Fund, Inc.; Worldwide Entertainment, Inc.; Jack Utsick; Donna Yeager; Robert Yeager;  
17 EFI No. 32 LLC; EFI No. 33 LLC; EFI No. 34 LLC; EFI No. 35 LLC; EFI No. 36 LLC; EFI No. 37 LLC;  
18 Summer 2003 LLC; Boot and Tuxedo 2003 LLC; Big Four-Oh LLC; Pinball Wizard LLC; Wuhlheide Open Air  
19 LLC; Winter 2005 LLC; and "D" Dancing Worldwide LLC, of the investments described above constitute  
20 the offer and/or sale of a security as defined in RCW 21.20.005(10) and (12).

21 2. The offer and/or sale of said securities were in violation of RCW 21.20.140 because  
22 American Enterprises, Inc.; EFI No. 32 LLC; EFI No. 33 LLC; EFI No. 34 LLC; EFI No. 35 LLC; EFI No.  
23 36 LLC; No. 37 LLC; Summer 2003 LLC; Boot and Tuxedo 2003 LLC; Big Four-Oh LLC; Pinball Wizard

1 LLC; Wuhlheide Open Air LLC; Winter 2005 LLC; and “D” Dancing Worldwide LLC were not registered in  
2 the State of Washington and did not qualify for an exemption filing.

3 3. American Enterprises, Inc. violated RCW 21.20.040 by offering or selling said securities  
4 while not registered as broker-dealers or securities salespersons in the State of Washington.

5 4. The offer and/or sale by American Enterprises, Inc.; Robert Yeager; Donna Yeager; Jack  
6 Utsick; Entertainment Funds, Inc.; The Entertainment Group Fund, Inc.; Worldwide Entertainment, Inc.; EFI  
7 No. 32 LLC; EFI No. 33 LLC; EFI No. 34 LLC; EFI No. 35 LLC; EFI No. 36 LLC; EFI No. 37 LLC; Summer  
8 2003 LLC; Boot and Tuxedo 2003 LLC; Big Four-Oh LLC; Pinball Wizard LLC; Wuhlheide Open Air LLC;  
9 Winter 2005 LLC; and “D” Dancing Worldwide LLC, of the securities described above was made in violation  
10 of RCW 21.20.010 because, as set forth in the Tentative Findings of Fact, Respondents made  
11 misstatements of material facts or omitted to state material facts necessary in order to make the  
12 statements made, in light of circumstances under which they were made, not misleading.

13  
14 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

15 Based on the above Tentative Findings of Fact and Conclusions of Law, the Securities  
16 Administrator intends to order that Respondents, American Enterprises, Inc.; Entertainment Funds, Inc.;  
17 The Entertainment Group Fund, Inc.; Worldwide Entertainment, Inc.; Jack Utsick; Donna Yeager;  
18 Robert Yeager; EFI No. 32 LLC; EFI No. 33 LLC; EFI No. 34 LLC; EFI No. 35 LLC; EFI No. 36  
19 LLC; EFI No. 37 LLC; Summer 2003 LLC; Boot and Tuxedo 2003 LLC; Big Four-Oh LLC; Pinball  
20 Wizard LLC; Wuhlheide Open Air LLC; Winter 2005 LLC; and “D” Dancing Worldwide LLC, and  
21 their agents and employees, shall each cease and desist from violations of RCW 21.20.140, RCW  
22 21.20.040, and RCW 21.20.010.

1 **NOTICE OF INTENT TO IMPOSE FINES**

2 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of  
3 Law, the Securities Administrator intends to order that Respondents American Enterprises, Inc.;  
4 Entertainment Funds, Inc.; The Entertainment Group Fund, Inc.; Worldwide Entertainment, Inc.; Jack  
5 Utsick; Donna Yeager; Robert Yeager; EFI No. 32 LLC; EFI No. 33 LLC; EFI No. 34 LLC; EFI No.  
6 35 LLC; EFI No. 36 LLC; EFI No. 37 LLC; Summer 2003 LLC; Boot and Tuxedo 2003 LLC; Big  
7 Four-Oh LLC; Pinball Wizard LLC; Wuhlheide Open Air LLC; Winter 2005 LLC; and "D" Dancing  
8 Worldwide LLC, shall each be liable for and pay a fine of \$10,000.

9 **NOTICE OF INTENT TO RECOVER COSTS**

10 Pursuant to RCW 21.20.390(5), and based upon the Tentative Finds of Fact and Conclusions of  
11 Law, the Securities Administrator intends to order that the Respondents American Enterprises, Inc.;  
12 Entertainment Funds, Inc.; The Entertainment Group Fund, Inc.; Worldwide Entertainment, Inc.; Jack  
13 Utsick; Donna Yeager; Bob Yeager; EFI No. 32 LLC; EFI No. 33 LLC; EFI No. 34 LLC; EFI No. 35  
14 LLC; EFI No. 36 LLC; EFI No. 37 LLC; Summer 2003 LLC; Boot and Tuxedo 2003 LLC; Big Four-  
15 Oh LLC; Pinball Wizard LLC; Wuhlheide Open Air LLC; Winter 2005 LLC; and "D" Dancing  
16 Worldwide LLC shall be liable for and pay the Securities Division the costs, fees, and other expenses  
17 incurred in the conduct of the administrative investigation and hearing of this matter.

18 **AUTHORITY AND PROCEDURE**

19 This Statement of Charges is entered pursuant to the provisions of the RCW 21.20.390 and  
20 RCW 21.20.395 and is subject to the provisions of RCW 34.05. The Respondents may each make a  
21 written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND  
22 OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

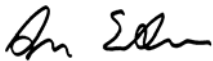
1 If a Respondent does not request a hearing, the Securities Administrator intends to adopt the  
2 above Tentative Findings of Fact and Conclusions of Law as final, enter a permanent cease and desist  
3 order as to that Respondent, and impose the fines and costs sought.  
4

5 DATED AND ENTERED this 17th day of August, 2007.  
6

7 

8 \_\_\_\_\_  
MICHAEL E. STEVENSON  
9 Securities Administrator

10 Approved by:

11 

12 \_\_\_\_\_  
Suzanne Sarason  
13 Program Manager  
Compliance and Examinations Unit

Presented by:

14 

15 \_\_\_\_\_  
Jill M. Vally  
16 Enforcement Attorney  
17 Compliance and Examinations Unit  
18  
19  
20  
21  
22