

The grounds for such proposed action are as follows:

INTRODUCTION

1. Respondent Mind's I Productions, ("MIP") is an entity with a last known address at 1518 Rhett Place, Woodstock, Illinois 60090.
2. Respondent Gary M. Lumpp ("Lumpp") is a natural person with a last known address at 1518 Rhett Place, Woodstock, Illinois 60090.
3. At all relevant times, Respondent Lumpp was the screenwriter and producer for Respondent MIP.
4. In or about May 2009, a Pennsylvania resident ("PA Resident") observed an advertisement "(AD)" entitled, "Looking for Angel Investor For Feature Film." The Ad, posted by Respondent Lumpp, stated that Respondent Lumpp is a screenwriter/producer looking for investors for a feature film (Program) and contained a link to a website at www.garylumpp.com.
5. On July 14, 2009, the Pennsylvania Securities Commission issued a Summary Order to Cease and Desist to the Respondents, MIP and Lumpp. Based upon a preliminary investigation conducted by the staff of the PSC, the PSC determined that evidence existed to support the following findings and conclusions:
 - a. In or around May 2009, using an e-mail address provided in the AD, a Pennsylvania Resident ("PA") sent an e-mail to Respondent Lumpp requesting additional information regarding the offer to invest in the feature film, Ballad of Broken Angels.
 - b. In or around May and June 2009, Respondent Lumpp e-mailed offering materials to the PA Resident. The materials stated that Respondent MIP is seeking to raise \$850,000.00 to finance the movie. In addition, Respondent MIP offered thirty-four shares in the Program at a cost of \$25,000.00 each share. Revenue generated from the sale of the film would be distributed to investors first, who would receive a return on their original investment plus an additional 30% profit. After the investors are paid, Respondent MIP would pay for the necessary services to produce and market the movie, and the remaining revenue would be divided with 50% being split on a pro rata basis among the investors and 50% being split among the managing members.

- c. Respondent Lumpp failed to disclose to the PA Resident that on February 28, 2005, Respondent Lumpp filed for bankruptcy protection. On June 6, 2005, Respondent Lumpp's debts were discharged in bankruptcy.
 - d. The PA Resident was not an accredited investor under Rule 501 Regulation D, and did not have sufficient knowledge and experience in financial business matter to be capable of evaluating the merits and risks of the investment.
 - e. The records of the PSC disclose that the Program is (a) not registered under Section 201 of the 1972 Act, 70 P.S. 1-201; (b) not exempt from registration under Section 202 of the 1972 Act, 70 P.S. 1-202; and (c) not a federally covered security; and further securities transactions relating to the Program are not exempt under Section 203 of the 1972 Act, 70 P.S. 1-203.
6. On September 21, 2009, the Illinois Department of Securities ("IDS") discovered that despite the PSC Cease and Desist Order, the AD for the Program posted by Respondent Lumpp was still circulating on the internet via the website garylumpp.com.
 7. Respondent Lumpp's activities described above involve the offer and sale of 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").

COUNT I:

FAILURE TO REGISTER OFFER TO SELL SECURITIES

8. Section 5 of the Act provides, *inter alia*, that "all securities except those set forth under Section 2a of this Act...or those exempt...shall be registered...prior to their offer or sale in this State.
9. Respondents Lumpp and MIP failed to file an application with the Secretary of State for the Program as required by the Act, and as a result the Program was not registered as such prior to their offer in the State of Illinois.
10. Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the Act to offer or sell any security except in accordance with the provisions of the Act.
11. By virtue of the foregoing, Respondents violated Section 12.A of the Act.
12. Section 12.D of the Act provides, *inter alia*, that it shall be a violation of the Act to fail to file with the Secretary of State any application, report or

document required to be filed under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to the Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.


13. By virtue of the foregoing, Respondents violated Section 12.D of the Act.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 111. Adm. Code 130) ("the rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice. The answer and all other pleadings and motions must be filed with the Illinois Securities Department by addressing them to:

Maria Pavone
Enforcement Attorney
Illinois Department of Securities
69 West Washington, Suite 1220
Chicago, Illinois 60602

A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing. Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute default. Unless the Respondent has upon due notice moved for and obtained a continuance. The Rules promulgated under the Act and pertaining to Hearings held by the office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/departments/lawrules.html>. Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 30th day of April 2010.


JESSE WHITE
Secretary of State
State of Illinois

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