

**STATE OF ILLINOIS
SECRETARY OF STATE
DEPARTMENT OF SECURITIES**

IN THE MATTER OF: Gary M. Lumpp & Mind's I Production)))))	FILE NO. C0900354
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CONSENT ORDER OF FINE

TO THE RESPONDENTS: Gary M. Lumpp
 1518 Rhett Place
 Woodstock, Illinois 60098

Mind's I Productions
1518 Rhett Place
Woodstock, Illinois 60098

WHEREAS, Respondents on the 30th day of April 2010 executed a certain Stipulation to Enter Consent Order of Fine (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondents have admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department dated April 30, 2010 in this proceeding (the "Notice") and Respondents have consented to the entry of this Consent Order of Fine ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondents acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

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 ("PSC") 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.

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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 Lumppp was still circulating on the internet via the website garylumppp.com.
7. Respondent Lumppp’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”).
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 Lumppp 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.

WHEREAS, by means of the Stipulation Respondents have acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusions of Law:

1. The Respondents have violated Section 12.A and 12.D of the Act;
2. The Respondents shall not offer or sell securities in the State of Illinois, unless in compliance with the Act and obtain a written legal opinion from a licensed attorney, including, but not limited to, the registration of said Act; and
3. By virtue of the foregoing, the Respondents are subject to a fine pursuant to Sections 12.A, 12.D and 11.E(4) of the Act.

WHEREAS, by means of the Stipulation Respondent Lumppp and Respondent MIP have acknowledged and agreed that Respondents shall, within 30 days of the entry of the aforesaid Consent Order, pay a FINE of One Thousand Dollars (\$1,000.00), to be paid by

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certified or cashier's check, made payable to the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDER THAT:

1. Respondent Lumpp and Respondent MIP shall pay a FINE that includes the costs of the investigation in the amount of One Thousand Dollars (\$1,000.00) payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund within thirty (30) days of the aforesaid Consent Order.
2. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 10th day of May 2010.


JESSE WHITE
Secretary of State
State of Illinois

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