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**STATE OF CALIFORNIA**  
**BUSINESS, TRANSPORTATION AND HOUSING AGENCY**  
**DEPARTMENT OF CORPORATIONS**

**TO:** Ernie Prince  
Steve Wilson  
StarMax Entertainment  
21514 Nordhoff St.  
Chatsworth, CA 91311

Stuart Hotchkiss Murray  
19431 Romar St.  
Northridge, CA 91324

William Edward Marlin  
24514 Towncenter Dr. #6  
Valencia, CA 91355

**DESIST AND REFRAIN ORDER**  
**(For violations of section 25110 and 25401 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. At all relevant times, Ernie Prince was held out to be the General Partner of StarMax Entertainment, a California Limited Partnership.
2. Beginning in or about 2002, Ernie Prince and others offered or sold securities in the form of limited partnership interests of StarMax Entertainment, a California Limited Partnership (“StarMax”).

1 3. A person calling himself Steve Wilson held himself out to be associated with StarMax, and  
2 contacted potential investors by that name. "Steve Wilson" may be an alias used by persons offering  
3 StarMax limited partnership interests.

4 4. Stuart Hotchkiss Murray ("Murray") is a person associated with StarMax. Murray has been  
5 responsible for establishing addresses ostensibly used by StarMax to receive investor materials and  
6 funds. In reality, these have been boxes at "mail drops" such as Mail Boxes & More, for which  
7 Murray executed applications on behalf of StarMax.

8 5. William Edward Marlin ("Marlin") is a person associated with StarMax. Marlin has been  
9 responsible for establishing other addresses ostensibly used by StarMax to receive investor materials  
10 and funds. These have also been mail drops, such as Box Brothers, for which Marlin executed  
11 applications on behalf of StarMax.

12 6. The purported purpose of the offering has been to raise funds to procure financing, produce  
13 and arrange for the distribution of motion picture films and/or video cassettes, including but not  
14 limited to the films "Unseen Evil II" and "Iron Thunder."

15 7. These securities were offered or sold in this state in issuer transactions. The Department of  
16 Corporations has not issued a permit or other form of qualification authorizing any person to offer  
17 and sell these securities in this state.

18 8. In connection with these offers and sales, StarMax represented to investors that it would  
19 communicate periodically with investors by means of written reports of operations not less than once  
20 each year, and would furnish reports pertinent for the preparation and filing of all necessary tax  
21 returns. StarMax has failed to communicate as represented and failed to provide the promised  
22 reports.

23 9. Typically, investors have been promised a profit and return of investment within months of  
24 their investment. However, in connection with offers and sales to later investors, it has not been  
25 disclosed that principal or profits have not been returned to earlier Starmax investors.

26 Based upon the foregoing findings, the California Corporations Commissioner is of the  
27 opinion that the limited partnership interests in StarMax Entertainment are securities in the form of  
28 investment contracts and are subject to qualification under the California Corporate Securities Law of

1 1968 and are being or have been offered or sold without being qualified, in violation of Corporations  
2 Code section 25110. Pursuant to section 25532 of the Corporate Securities Law of 1968, StarMax  
3 Entertainment, Ernie Prince, Steve Wilson, Stuart Hotchkiss Murray, and William Edward Marlin are  
4 hereby ordered to desist and refrain from the further offer or sale in the State of California of  
5 securities, including but not limited to investment contracts in the form of limited partnership  
6 interests, unless and until qualification has been made under the law or unless exempt.

7 Further, the California Corporations Commissioner is of the opinion that the securities of  
8 StarMax Entertainment were offered or sold in this state by means of written or oral communications  
9 which included an untrue statement of a material fact or omitted to state a material fact necessary in  
10 order to make the statements made, in the light of the circumstances under which they were made, not  
11 misleading, in violation of section 25401 of the Corporate Securities Law of 1968. Pursuant to  
12 section 25532 of the Corporate Securities Law of 1968, StarMax Entertainment, Ernie Prince, Steve  
13 Wilson, Stuart Hotchkiss Murray, and William Edward Marlin are hereby ordered to desist and  
14 refrain from offering or selling any security in the State of California, including but not limited to  
15 investment contracts in the form of limited partnership interests, by means of any written or oral  
16 communication which includes an untrue statement of a material fact or omits to state a material fact  
17 necessary in order to make the statements made, in the light of the circumstances under which they  
18 were made, not misleading.

19 This Order is necessary, in the public interest, for the protection of investors and consistent  
20 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

21 Dated: September 28, 2007

22 Los Angeles, California

23 PRESTON DuFAUCHARD  
24 California Corporations Commissioner

25 By \_\_\_\_\_  
26 ALAN S. WEINGER  
27 Lead Corporations Counsel  
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