

STATE CORPORATION COMMISSION

AT RICHMOND, MAY 17, 2002

COMMONWEALTH OF VIRGINIA, ex rel.

2002 MAY 17 A 10:20

STATE CORPORATION COMMISSION

v.

WASHINGTON GLOBAL CENTER, L.L.C.,	CASE NO. <u>SEC-2001-00027</u>
CHILDREN'S MAGICAL CITIES, INC.,	CASE NO. <u>SEC-2001-00028</u>
CMC GLOBAL ENTERTAINMENT, L.L.C.,	CASE NO. SEC-2001-00029
CHILDREN'S MAGICAL CITIES, L.L.C.,	CASE NO. SEC-2001-00030
CMC GLOBAL EDUTAINMENT, INC., and	CASE NO. SEC-2001-00031
THOMAS LEE K. CHRISTIANSON,	CASE NO. SEC-2001-00040
Defendants	

JUDGMENT ORDER

By Rule to Show Cause ("Rule") dated April 9, 2001, the Commission, among other things, assigned this case to a hearing Examiner to conduct further proceedings in this matter, including a hearing on behalf of the Commission. The Rule alleged that the companies listed above and Thomas Lee K. Christianson (collectively, "Defendants") had failed to substantially comply with the Commission's subpoena at the time the Rule was issued; that the Defendants offered and sold securities to Virginia investors in violation of § 13.1-502 (2) of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia; that the Defendants offered and sold securities to Virginia investors while engaging in a course of business that operated as a fraud or deceit upon the purchaser

Effective April 9, 2002, the new Case Management System requires that the case number format for all Commission orders change from, e.g., PUE010663 to the following: PUE-2001-00663.

in violation of § 13.1-502 (3) of the Act; that Defendant Christianson ("Christianson") acted as an unregistered agent in the offer and sale of securities in violation of § 13.1-504 of the Act; and that the Defendant companies employed an unregistered agent, Christianson, to offer and sell securities in violation of § 13.1-504 B of the Act.

The Hearing Examiner conducted a hearing on February 26, 2002. Defendants did not enter an appearance. On April 11, 2002, the Hearing Examiner filed her report and made findings and recommendations. Upon consideration of the Report and the findings and recommendations of the Hearing Examiner, the Commission is of the opinion and finds:

1. Christianson, a/k/a Carney Kinnamon ("Kinnamon"), sold securities as an unregistered agent on twelve occasions in violation of § 13.1-504 A of the Act;

2. Defendants CMC Global Entertainment, L.L.C. and Children's Magical Cities, L.L.C., through their unregistered agent, Christianson, a/k/a Kinnamon, each sold securities on twelve occasions in violation of § 13.1-504 B of the Act;

3. There is no evidence that any other company Defendant offered or sold securities;

4. Christianson, a/k/a/ Kinnamon, CMC Global Entertainment, L.L. C., and Children's Magical Cities, L.L.C., offered and sold securities in violation of § 13.1-502 (2) by

misrepresenting material facts, and omitting other material facts about investments on two occasions;

5. Christianson, a/k/a Kinnamon, CMC Global Entertainment, L.L.C., and Children's Magical Cities, L.L.C., offered and sold securities in violation of § 13.1-502 (3) of the Act by engaging in a course of business which operated as a fraud or deceit upon the investors on at least two occasions; and

6. All company Defendants failed to timely comply with a Commission subpoena in violation of § 12.1-33 of the Code of Virginia. Accordingly,

IT IS HEREBY ORDERED THAT:

(1) Pursuant to § 13.1-519 of the Act, Defendants Christianson, a/k/a Kinnamon, CMC Global Entertainment, L.L.C., and Children's Magical Cities, L.L.C., are permanently enjoined from further violations of the Act.

(2) Pursuant to § 13.1-521 of the Act, Christianson, a/k/a Kinnamon, is penalized eighty thousand dollars (\$80,000) for sixteen (16) violations of the Act.

(3) Pursuant to § 13.1-521 of the Act, Children's Magical Cities, L.L.C., is penalized eighty thousand dollars (\$80,000) for sixteen (16) violations of the Act.

(4) Pursuant to § 13.1-521 of the Act, CMC Global Entertainment, L.L.C. is penalized eighty thousand dollars (\$80,000) for sixteen (16) violations of the Act.

(5) Pursuant to § 12.1-33 of the Code of Virginia, all Company Defendants, `Children's Magical Cities, L.L.C., CMC Global Entertainment, Washington Global Center, L.L.C., Children's Magical Cities, Inc., and CMC Global Edutainment, Inc., are penalized five hundred dollars (\$500), each, for failure to timely comply with the Commission's subpoena.

(6) This case is dismissed from the docket of active matters.

AN ATTESTED COPY hereof shall be sent by CERTIFIED MAIL, RETURN RECEIPT REQUESTED by the Clerk of the Commission to the Defendants, c/o R. Glen Stephens, 8101 Sandy Spring Road, Suite 105, Laurel, Maryland 20707-3596.