

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND**

IN THE MATTER OF: *

TAG Entertainment USA, Inc. *

(f/k/a TAG Entertainment, Inc.), and *

Austin Family Entertainment, Inc., and *

Steve Austin Productions, LLC, and *

Motocross Kids Limited Partnership, *

and *

Fairy Tale Partners II Limited *

Partnership, and *

Fairy Tale Partners III Limited *

Partnership, and *

American Black Beauty Limited *

Partnership, and *

Animal Partners Limited Partnership, *

and *

TAG Studios I, LLC, and *

Supercross The Movie Limited *

Partnership, and *

Steve Austin, individually and in his *

capacities with the other Respondents, *

Respondents. *

FILE NO. 2004-0323

* * * * *

ORDER TO SHOW CAUSE

WHEREAS, the Division of Securities of the Office of the Maryland Attorney General (the "Division"), pursuant to the authority granted in section 11-701 of the Maryland Securities

Act, Title 11, Corporations and Associations Article, Annotated Code of Maryland (1999 Repl. Vol. and 2006 Supp.) (the "Act"), undertook an investigation into the securities-related activities of Steve Austin ("Austin"), and ten companies under the control of Austin, as listed in the caption of this Order To Show Cause (together with Austin, the "Respondents"); and

WHEREAS, on the basis of that investigation, the Maryland Securities Commissioner (the "Commissioner") has concluded that the Respondents have engaged in acts or practices constituting violations of the Act.

NOW THEREFORE, the Commissioner hereby orders Respondents to show cause why the Commissioner should not permanently bar Respondents from engaging in the securities and investment advisory businesses in Maryland; why a monetary penalty of \$5,000 per violation of the Act should not be entered against each Respondent; and why a final order should not be entered ordering Respondents to cease and desist from further violations of the registration and related provisions of the Act.

I. JURISDICTION

1. The Commissioner has jurisdiction in this proceeding pursuant to section 11-701.1 of the Act.

II. RESPONDENTS

2. TAG Entertainment USA, Inc. (f/k/a TAG Entertainment, Inc.) ("TAG"), has a principal operating address at 9916 South Santa Monica Boulevard, Beverly Hills, CA 90212.

3. Austin Family Entertainment, Inc. ("AFE"), has principal operating addresses at 15250 Ventura Boulevard, Suite 524, Sherman Oaks, California 91403, and 9916 S. Santa Monica Boulevard, 1st Floor, Beverly Hills, California 90212.

4. Steve Austin Productions, LLC ("SAP"), is a limited liability company, with a principal operating address at 15233 Ventura Boulevard, Suite 708, Sherman Oaks, California 91403.

5. Steve Austin, an agent of TAG, AFE, SAP, and each of the Issuers, has an address in Santa Monica, California.

6. None of TAG, AFE, or SAP is, and has never been, registered in Maryland as a broker-dealer. *See* Exhibit A, Affidavit of Ellen Polston.

7. Austin is not, and has never been, registered in Maryland as either a broker-dealer or an issuer agent. *See* Exhibit A, Affidavit of Ellen Polston.

8. Each of Motocross Kids Limited Partnership, Fairy Tale Partners III Limited Partnership, Fairy Tale Partners II Limited Partnership, American Black Beauty Limited Partnership, Animal Partners Limited Partnership, TAG Studios LLC, Supercross The Movie LP (together, the “Issuers”), are entities created and controlled, directly or indirectly, by Austin, TAG, AFE, and/or SAP, with addresses located in Sherman Oaks and Burbank, California.

9. TAG Entertainment USA, Inc., is the successor in interest following a merger with TAG Entertainment, Inc.

III. STATEMENT OF FACTS

10. Austin was an executive officer, director, and controlling shareholder of TAG, AFE, and SAP, at all times relevant to this matter.

11. AFE and SAP were general partners of the Issuers at all times relevant to this matter.

12. Austin, as president of AFE, and as managing member of SAP, solicited potential investors in Maryland for each of the Issuers.

13. TAG was a promoter for each of the Issuers and assisted in contacting the potential investors for the securities offerings of each Issuers.

14. Austin, AFE, SAP, and TAG offered and sold to residents of Maryland an aggregate of:

- a. \$75,000 in limited partnership interests of American Black Beauty Limited Partnership to two Maryland residents;
- b. \$68,750 in limited partnership interests of Motocross Kids Limited Partnership to four Maryland residents;
- c. \$200,000 in limited partnership interests of Animal Partners Limited Partnership;
- d. \$37,500 in limited partnership interests in Fairy Tale Partners II Limited Partnership;
- e. \$50,000 in limited partnership interests in Fairy Tale Partners III Limited Partnership;
- f. \$25,000 in limited liability company interests of TAG Studios I, LLC; and
- g. \$162,500 in limited partnership interests in Supercross The Movie Limited Partnership.

15. Following the initiation of the Division’s investigation, Respondents submitted notices on Form D in connection with the offering of limited partnership interests of American Black Beauty Limited Partnership (MD File No. EX20041685), Fairy Tale Partners III Limited Partnership (MD File No. EX20041686), and Motocross Kids Limited Partnership (MD File No. EX20041687). The notices identified SEC Rule 506 as the basis for the claim for an exemption or preemption.

16. Respondents did not have an existing personal or business relationship with the investors in Maryland prior to contacting them regarding the offering of interests in the Issuers. Respondents used investor lists purchased from unaffiliated companies to contact potential investors in Maryland.

COUNT I

(Offer of unregistered securities)

WHEREAS, the Issuers' limited partnership and limited liability company interests offered and sold by Respondents to Maryland residents constitute "securities" within the definition at section 11-101(r) of the Act; and

WHEREAS, section 11-501 of the Act makes it unlawful for any person to offer or sell any security in or from Maryland unless that security is registered or exempt from registration under the Act, or is a federal covered security; and

WHEREAS, Respondents did not meet the conditions of SEC Rule 506 or the Maryland Blue Sky regulations, COMAR 02.02.09.09, for the three notices of securities offerings filed with the Division following initiation of the Division's investigation; and

WHEREAS, Respondents failed to apply for registration of the seven securities offerings of the Issuers, or to establish or perfect an exemption for those securities offering.

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to section 11-701.1 of the Act, that each Respondent show cause why a final order should not be issued against that Respondent that orders that Respondent to cease and desist from engaging in the offer of unregistered non-exempt securities in violation of section 11-501 of the Act; assesses each Respondent the statutory penalty of \$5,000 per violation; and permanently bars Respondents from the securities and investment advisory businesses in Maryland.

COUNT II

(Offer and sale of securities by unregistered broker-dealer or agent)

WHEREAS, section 11-101(c) of the Act defines "broker-dealer" to include a person engaged in the business of effecting transactions in securities for the account of others or for his own account; and

WHEREAS, section 11-101(b) of the Act defines "agent" to mean an individual other than a broker-dealer, including a partner, officer or director of an issuer, who represents a broker-dealer or issuer in effecting or attempting to effect the purchase or sale of securities; and

WHEREAS, section 11-401 of the Act makes it unlawful for any person to transact business in the offer or sale of securities in this state as a broker-dealer or issuer agent unless that person is registered pursuant to the Act; and

WHEREAS, none of Austin, TAG, AFE, or SAP was registered with the Division as a broker-dealer or agent pursuant to the Act; and

WHEREAS, Austin, TAG, AFE, and SAP each offered and sold securities of the seven Issuers in the form of limited liability company member interests and limited partnership interests, in or from Maryland, without being registered to do so; and

NOW, THEREFORE, IT IS HEREBY ORDERED, that Respondents show cause why a final order should not be issued that: orders Respondents to cease and desist from acting as an unregistered broker-dealer or agent in this state; assesses each Respondent the statutory penalty of \$5,000 per violation of the broker-dealer and agent registration provisions of section 11-401 of the Act; and permanently bars each Respondent from engaging in the securities and investment advisory businesses in Maryland for or on behalf of others or from being or acting as a principal or consultant in any entity engaged in such transactions.

REQUIREMENT OF ANSWER AND NOTICE OF OPPORTUNITY FOR HEARING

IT IS FURTHER ORDERED that, pursuant to section 11-701.1 of the Act and COMAR 02.02.06.06, each Respondent shall file with the Commissioner a written Answer to this Order within fifteen days of service of the Order. The Answer shall admit or deny each factual allegation in the Order and shall set forth affirmative defenses, if any. A Respondent without knowledge or information sufficient to form a belief as to the truth of an allegation shall so state.

The Answer also shall indicate whether or not the Respondent requests a hearing. A hearing to determine whether the Order should be vacated, modified, or entered as final will be scheduled in this matter if one is requested in writing. Failure by any Respondent to file a request for a hearing in this matter within fifteen days of receipt of the Order shall be deemed a waiver by that Respondent of the right to such a hearing.

Failure to file an Answer shall result in entry of a final order:

- (a) directing that Respondents permanently cease and desist from violation of the Act; and
- (b) imposing a monetary penalty of up to \$5,000 per violation of the Act; and
- (c) barring Respondents from engaging in the securities or investment advisory

businesses in Maryland for or on behalf of others, or from acting as principal or consultant in any entity so engaged.

SO ORDERED,

July 13 , 2007

/S/

MELANIE SENTER LUBIN
SECURITIES COMMISSIONER