

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

IN THE MATTER OF:	<b>Gary M. Lumpp &amp; Mind's I Productions</b>	<b>FILE NO. C0900354</b>
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**NOTICE OF HEARING**

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

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

You are hereby notified that pursuant to Section 11.E of the Illinois Securities law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602, on the 23rd day of June, 2010, at the hour of 10:00 a.m., or as soon as possible thereafter, before , Soula J. Spyropoulos, Esq. or such duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether the Respondent Gary M. Lumpp and Respondent Mind's I Productions acted in accordance with 12.A and 12.D of the Illinois Securities Law of 1953, as amended the ("Act"). Prohibition of the Respondents from offering or selling securities in or from the State of Illinois, in accordance with Sections 11.E(2), 12.A and 12.D of the Act. Imposition of fines not to exceed \$10,000 against each of the Respondents for each violation of the Act described below; entry of orders of public censure; and charging costs of the investigation and all reasonable expenses, including attorney's fees and witness fees, in accordance with Section 11.E(4) of the Act.

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](http://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 Lumppp failed to disclose to the PA Resident that on February 28, 2005, Respondent Lumppp filed for bankruptcy protection. On June 6, 2005, Respondent Lumppp'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 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").

### COUNT 1:

#### **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 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.

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

Attorney for the Secretary of State:  
Maria A. Pavone  
Office of the Secretary of State  
Illinois Securities Department  
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Hearing Officer:  
Soula Spyropoulos  
4125 West Lunt Street  
Lincolnwood, Illinois 60712