

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

IN THE MATTER OF:)

Daniel Parrilli,)

Christopher Andersen,)

Sundown Entertainment, Inc. and its)
partners, members, officers, directors,)
agents, employees, affiliates, successors)
and assigns,)

Bonner Productions, Inc. and its partners,)
members, officers, directors, agents,)
employees, affiliates, successors and)
assigns.)

File Number: 0900234

NOTICE OF HEARING

TO RESPONDENT:

Daniel Parrilli
502 Yardley Drive
Carol Stream, IL 60188

Daniel Parrilli
825 North Cass Avenue
Westmont, IL 60559

Christopher Andersen
825 North Cass Avenue
Westmont, IL 60559

Christopher Andersen
520 Hamilton Avenue
Westmont, IL 60559

Sundown Entertainment, Inc.
502 Yardley Drive
Carol Stream, IL 60188

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Sundown Entertainment, Inc.
825 North Cass Avenue
Westmont, IL 60559

Bonner Productions, Inc.
502 Yardley Drive
Carol Stream, IL 60188

You are hereby notified in accordance with Sections 11.E and F of the Illinois Securities Law of 1953 [815 ILCS 5/11.E and F] (“the Act”) and 14 Ill. Adm. Code 130, subpart K, that a public hearing will be held at the Secretary of State’s office at the office of the Illinois Securities Department, 69 W. Washington Street, Suite 1220, in Chicago, Illinois 60602, on November 18, 2009 at the hour of 10:00 a.m. or as soon thereafter as possible before George Berbas, or such other hearing officer who shall be presiding at that time.

Said hearing will be held to determine whether an Order shall be entered which would prohibit the Respondents from selling or offering for sale securities in the State of Illinois and/or granting such other relief as may be authorized under the Act including, but not limited to, the imposition of a monetary fine in the maximum amount pursuant to 11.E of the Act, payable within 10 (ten) days of the entry of the order.

The grounds for such proposed action are as follows:

COUNT 1

FRAUD IN THE OFFER AND SALE OF SECURITIES

Sundown was a Front for an Illegal Ponzi Scheme

1. Respondent **Daniel Parrilli** (“Parrilli”) is the President of Sundown Entertainment, Inc. and has last known addresses of 502 Yardley Drive, Carol Stream, IL 60188 and 825 N. Cass Avenue, Westmont, IL 60559.
2. Respondent **Christopher Andersen** (“Andersen”) is a Sales Agent for Sundown Entertainment, Inc. and has last known addresses of 825 N. Cass Avenue, Westmont, IL 60559 and 520 Hamilton Avenue, Westmont, IL 60559.
3. Respondent **Sundown Entertainment, Inc.** (“Sundown”) is an entity with last known addresses of 502 Yardley Drive, Carol Stream, IL 60188 and 825 N. Cass Avenue, Westmont, IL 60559.
4. Respondent **Bonner Productions, Inc.** (“Bonner”) is an entity with last known address of 502 Yardley Drive, Carol Stream, IL 60188.

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5. On December 18, 2007, Daniel Parrilli filed the articles of incorporation in Illinois for Sundown Entertainment, Inc. Parrilli was listed as both the President and registered agent of Sundown.
6. On April 3, 2009, Sundown Entertainment, Inc. had its name formally changed to Bonner Productions, Inc. Respondent Parrilli is listed as the registered agent and President of Bonner. Nonetheless, Respondents Parrilli and Andersen still do business under the Sundown name.
7. At least as early as January 2006, Respondent Andersen was offering Sundown's investment opportunities to potential investors. The investments were promissory notes sold to investors indicating that investors would be paid back their investment plus a specific amount of interest on a stated date.
8. Between January 2006 and August 2008, Respondent Andersen offered and sold promissory notes to at least seventy-five (75) Illinois investors. Andersen represented the money would go toward the purchase of the rights to old film footage in order to produce and distribute movies and documentaries and that the money would be repaid to the investor with a specific amount of interest.
9. For example, in May of 2008, Respondent Andersen met with Investor A, an Illinois resident, at Investor A's home. During this meeting, Respondent Andersen offered and sold Investor A a promissory note for \$5000.00 that was to be paid back to Investor A in forty (40) days with forty-two (42) percent interest.
10. Additionally, in June 2008, Respondent Andersen once again met with Investor A at Investor A's home. At this time, Respondent Andersen offered and sold Investor A a promissory note for \$10,000.00 that was to be paid back to Investor A in thirty (30) days with sixty-five (65) percent interest.
11. As of July of 2009, Investor A has only received \$1000.00 of the money promised to him in the aforementioned promissory notes.
12. Even though Respondent Andersen told investors that their money would be used to purchase of the rights to old film footage in order to produce and distribute movies and documentaries, Respondents used very little investor money to achieve any of these business activities.
13. In fact, the vast majority of the money invested in Sundown was used either to pay back previous investors or was converted by the Respondents for their own personal use.
14. For example, between November 1, 2007 and December 31, 2007, Sundown had \$1,702,181.31 debited from its National City Bank checking account. Of that money, approximately \$1.3 million was used to pay investors and approximately

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\$229,115.00 was debited by the Respondents through checks issued to “Cash” or wire transfers to overseas bank accounts. Approximately \$50,000.00 can be identified as money that went toward Sundown’s stated business activities.

15. Additionally, the vast majority of money credited into Sundown’s bank accounts was money obtained from investors through the sale of promissory notes. Only a small percentage of the money credited to Sundown’s bank accounts came from sales proceeds of Sundown produced movies or documentaries.
16. For example, between November 1, 2007 and December 31, 2007, Sundown had \$1,673,884.72 credited to its National City Bank checking account. Of this money, approximately \$7988.48 constituted sales proceeds from its various movies and other products.
17. The Respondents ran a “Ponzi scheme” in which they made payments to investors with money obtained from later investors. Respondents failed to notify investors that the money they would be investing in Sundown would be used to pay back earlier investors and for the Respondents’ own personal uses.
18. The activities described above constitute the issuance of a note, and therefore an 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 5/1 *et. seq.*] (the “Act”).
19. Section 12.A of the Act provides, *inter alia*, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
20. Section 12.F of the Act provides that it shall be a violation of the provisions of this Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
21. Section 12.G of the Act states that it shall be a violation of the provisions of this Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
22. Section 12.I of the Act provides that it shall be a violation of the provisions of this Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
23. By virtue of the foregoing, the Respondents violated Sections 12.A, 12.F, 12.G, and 12.I of the Act.

COUNT 2
OFFER AND SALE OF UNREGISTERED SECURITIES
Promissory Notes Were Not Registered With the Secretary of State

24. Paragraphs 1-18 are re-alleged as if fully set forth herein.
25. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 “shall be registered either by coordination or qualification prior ... to their offer or sale” in the State of Illinois.
26. Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and, as a result, the securities were not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
27. Section 12.A of the Act provides, *inter alia*, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
28. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
29. By virtue of the foregoing, the Respondents violated Sections 12.A and 12.D of the Act.

COUNT 3
FRAUD IN THE OFFER AND SALE OF SECURITIES
Failure to Disclose Prior Fraud Convictions to Investors

30. Paragraphs 1-18 are re-alleged as if fully set forth herein.
31. On May 1, 2002, Respondent Parrilli pleaded guilty to one count of Credit Card Fraud, one count of Mail Fraud, and one count of Bank Fraud in violation of the United States Code. As a result of his guilty plea, Respondent Parrilli was sentenced to twenty-five (25) months of imprisonment in the United States Bureau of Prisons. Respondent Parrilli served his sentence at the Federal Correctional Institution in Oxford, Wisconsin.
32. On December 17, 2001, Respondent Andersen pleaded guilty to one criminal count of Mail Fraud in violation of the United States Code. As a result of his guilty plea, Respondent Andersen was sentenced to thirty-six (36) months of imprisonment in the United States Bureau of Prisons. Respondent Andersen also served his sentence at the Federal Correctional Institution in Oxford, Wisconsin.

33. In the course of the offer and sale of securities to Investor A, Respondent Andersen never disclosed to investors that Respondent Parrilli was the President of Sundown.
34. In the course of the offer and sale of securities to Investor A, Respondents Parrilli and Andersen failed to disclose their aforementioned criminal convictions to Investor A.
35. That information regarding Respondent Parrilli's role in Sundown, as well as Respondents Parrilli and Andersen's criminal history involving fraud is material to an investor's decision to invest money in Sundown.
36. Section 12.A of the Act provides, *inter alia*, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
37. Section 12.F of the Act provides that it shall be a violation of the provisions of this Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
38. Section 12.G of the Act states that it shall be a violation of the provisions of this Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
39. Section 12.I of the Act provides that it shall be a violation of the provisions of this Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
40. By virtue of the foregoing, the Respondents violated Sections 12.F, 12.G, and 12.I of the Act.

COUNT 4

FAILURE TO COMPLY WITH AN ORDER OF THE SECRETARY OF STATE
Respondent Andersen Violated Previous Order of Prohibition

41. Paragraphs 1-18 are re-alleged as if fully set forth herein.
42. On September 22, 1998, the Illinois Securities Department ("the Department") entered a Temporary Order of Prohibition against Respondent Andersen that temporarily prohibited him from selling securities in the State of Illinois.
43. This Temporary Order of Prohibition stated:

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“FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND CONSTITUTES SUFFICIENT BASIS TO MAKE THE ORDER OF PROHIBITION FINAL”

44. Respondent Andersen received the Temporary Order of Prohibition via certified mail on September 30, 1998.
45. Respondent Andersen failed to request a hearing within thirty days of the entry of the Temporary Order of Prohibition. As a result, the Department entered an Order of Prohibition against Respondent Andersen on October 27, 1998.
46. The Order of Prohibition stated that Respondent Andersen “is hereby PROHIBITED from offering or selling any securities in the State of Illinois.
47. After the Order of Prohibition was entered against Respondent Andersen, Respondent Andersen received a copy of the Order via certified mail.
48. Respondent Andersen’s offer and sale of promissory notes on behalf of Sundown constituted an offer and sale of securities, as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the “Act”).
49. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 of the Act.
50. The October 27, 1998, Order of Prohibition entered against Respondent Andersen is an order of the Secretary of State issued pursuant to Section 11 of the Act.
51. By virtue of the foregoing, Respondent Andersen violated Section 12.D of the Act.

NOTICE: You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130)(the “Rules”), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. 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.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.


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A copy of the Rules and Regulations promulgated under the Illinois Securities Law and pertaining to hearings held by the Office of the Secretary of State, Illinois Securities Department, are available at the Department's website at: <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>, or on request.

Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 10th day of September 2009.


JESSE WHITE
Secretary of State
State of Illinois

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