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

TO: Howard Miller, Manager, President and Chief Executive Officer
Ira Warren, aka Ira E. Warren, Ira S. Warkol, and Ira Howard Warren, Managing Member
Bruce Robinson
Eric Freed
James Stevenson
Animation Development Company, LLC, aka Animation Development Company Licensing,
aka ADC Licensing, and aka ADC Licensing, Inc.
18075 Ventura Blvd., Suite 230
Encino, CA 91316

6320 Canoga Avenue, Suite 230 and 1600
Woodland Hills, CA 91367-2526

5190 Neil Road, Suite 430
Reno, NV 89502

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, Howard Miller (hereinafter “Miller”) was Manager, President and Chief Executive Officer of Animation Development Company, LLC, also known as Animation Development Company Licensing, ADC Licensing, and ADC Licensing, Inc., (hereinafter “Animation Development”), a Nevada limited liability company with the business addresses of 18075 Ventura Boulevard, Suite 230, Encino, California, 6320 Canoga Avenue, Suite 230 and 1600, Woodland Hills, California, and 5190 Neil Road, Suite 430, Reno, Nevada. Animation Development

1 has also maintained a website on the Internet located at www.animationdc.com and
2 adclicensing.com.

3 2. At all relevant times, Ira Warren, also known as Ira E. Warren, Ira S. Warkol, and Ira Howard
4 Warren (hereinafter "Warren") acted as Managing Member, Finance & Acquisitions Consultant, and
5 Director of Acquisitions for Animation Development.

6 3. At all relevant times, Bruce Robinson (hereinafter "Robinson") acted as a salesperson and
7 Director of Business Development for Animation Development

8 4. At all relevant times, Eric Freed (hereinafter "Freed") acted as a salesperson and Investor
9 Relations for Animation Development.

10 5. At all relevant times, James Stevenson (hereinafter "Stevenson") acted as a salesperson and
11 an Account Executive for Animation Development.

12 6. Beginning in about July 2, 2007, Miller, Warren, Robinson, Freed, Stevenson and Animation
13 Development offered or sold securities in the form of units of Animation Development, a Nevada
14 limited liability company. Investors who were sold units also were provided a "Membership
15 Certificate".

16 7. Through cold-calling or other means of general solicitation, Miller, Warren, Robinson, Freed,
17 Stevenson and Animation Development offered or sold 225 units at \$20,000 per unit to raise \$4.5
18 million.

19 8. The purported purpose of the offering was to raise funds to "option, acquire, develop and
20 market" intellectual properties or entertainment products and services, particularly animated
21 television and film projects, and to pitch "the projects to networks for the purpose of licensing
22 potential television series." Investors are told that Animation Development is "positioned to take its
23 place as part of this rapidly-growing industry and will reap its fair share of the enormous profits the
24 ever-growing number of projects will produce." Investors are also told that Animation Development
25 has entered a "co-production agreement" with Toonzone Studios, run by Konnie Kwak as its
26 President and CEO and who also acts as part of Management and Executive Producer for Animation
27 Development, to produce pilots for Network Television. In addition, investors are told that
28 Animation Development has the exclusive right to develop and market projects which Cartoon

1 Ventures, Inc. acquires.

2 9. Investors are told to send all “signed documents” and “completed subscription documents
3 accompanied by a check” to Joseph Diamond, Attorney At Law, Diamond Law Firm, located at the
4 company’s address of 18075 Ventura Boulevard, #230, Encino, California or to the Diamond Law
5 Firm, located at 18075 Ventura Boulevard, Suite 221, Encino California.

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

9 11. In connection with these offers and sales, Miller, Warren, Robinson, Freed, Stevenson and
10 Animation Development misrepresented or omitted to disclose to investors that:

11 a. Warren has had a history of federal and state tax liens and civil judgments including:

12 i. a federal tax lien on February 16, 2001 for \$15,063

13 ii. a state tax lien on November 26, 2001 for \$1, 236

14 iii. a federal tax lien on April 2, 1999 for \$23,707

15 iv. a state tax lien on April 28, 1999 for \$2,985

16 v. a state tax lien on December 26, 1996 for \$7,345

17 vi. a state tax lien on June 27, 2008 for \$131,491

18 vii. a state tax lien on October 23, 2008 for \$15,284

19 viii. a federal tax lien on June 18, 2009 for \$22,991

20 ix. a judgment for \$26,401 in a civil case on or about July 26, 1993 involving
21 failure to pay a promissory note.

22 b. Investors were told that Animation Development is supplied a steady source of new
23 material to market that is acquired by Cartoon Ventures, Inc., which specializes in seeking out new
24 projects, and that it is in Cartoon Ventures, Inc. best interest to supply quality projects since
25 Animation Development is its primary source for marketing. Investors are not told, however, that
26 Cartoon Ventures, Inc. is a company run by Warren as its President, and uses an address shared by
27 Animation Development located at 5190 Neil Road, Suite 430, Reno, NV.

28 c. The total offering amount sold to investors was actually \$6 million rather than \$4.5

1 million as investors were told.

2 Based upon the foregoing findings, the California Corporations Commissioner is of the
3 opinion that the units of Animation Development are securities subject to qualification under the
4 California Corporate Securities Law of 1968 and are being or have been offered or sold without being
5 qualified in violation of Corporations Code section 25110. Pursuant to section 25532 of the
6 Corporate Securities Law of 1968, Howard Miller, Ira Warren, also known as Ira E. Warren, Ira S.
7 Warkol and Ira Howard Warren, Bruce Robinson, Eric Freed, James Stevenson, and Animation
8 Development Company, LLC, also known as Animation Development Company Licensing, ADC
9 Licensing, and ADC Licensing, Inc. are hereby ordered to desist and refrain from the further offer or
10 sale in the State of California of securities, including but not limited to units in the form of interests
11 in a limited liability company, unless and until qualification has been made under the law or unless
12 exempt.

13 Further, the California Corporations Commissioner is of the opinion that the securities of
14 Animation Development were offered or sold in this state by means of written or oral
15 communications which included an untrue statement of a material fact or omitted to state a material
16 fact necessary in order to make the statements made, in the light of the circumstances under which
17 they were made, not misleading, in violation of section 25401 of the Corporate Securities Law of
18 1968. Pursuant to section 25532 of the Corporate Securities Law of 1968, Howard Miller, Ira
19 Warren, also known as Ira E. Warren, Ira S. Warkol and Ira Howard Warren, Bruce Robinson, Eric
20 Freed, James Stevenson, and Animation Development Company, LLC, also known as Animation
21 Development Company Licensing, ADC Licensing, and ADC Licensing, Inc. are hereby ordered to
22 desist and refrain from offering or selling or buying or offering to buy any security in the State of
23 California, including but not limited to units in the form of interests in a limited liability company in
24 Animation Development Company, LLC, by means of any written or oral communication which
25 includes an untrue statement of a material fact or omits to state a material fact necessary in order to
26 make the statements made, in the light of the circumstances under which they were made, not
27 misleading.

28 This Order is necessary, in the public interest, for the protection of investors and consistent

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with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

Dated: June 30, 2011
Sacramento, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner
Enforcement Division