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

TO: Telecom Action Entertainment
Telecom Entertainment
Bill Davis
William Marlin
William Marlin & Co.
12021 Wilshire Boulevard, Suite 434
Los Angeles, California 90025

OR

323 Lincoln Boulevard, Suite 200,
Santa Monica, California 90401

DESIST AND REFRAIN ORDER

(For violations of sections 25110 and 25410 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, Telecom Action Entertainment, a California limited partnership, also referred to as Telecom Entertainment, conducted business at 12021 Wilshire Boulevard, Suite 434, Los Angeles, California 90025 and at 1323 Lincoln Boulevard, Suite 200, Santa Monica, California 90401. Telecom Action Entertainment purportedly produced low-budget motion pictures.

2. At all relevant times, Bill Davis was a sales agent and general partner of Telecom Action Entertainment, and may also have been known as William Marlin.

3. At all relevant times, William Marlin, also referred to as William Marlin & Co., was a general partner of Telecom Action Entertainment.

4. Beginning in or about 1998 and continuing through at least 2001, Telecom Action Entertainment, also referred to as Telecom Entertainment, Bill Davis, William Marlin, and William Marlin & Co. offered and sold securities in the form of investment contracts in the form of limited partnership interests in Telecom Action Entertainment, a California limited partnership.

1 5. Through telephone cold calling, Telecom Action Entertainment, Bill Davis, William Marlin,
2 and William Marlin & Co. offered or sold at least \$225,000 of these interests at \$30,000 per unit.

3 6. The purported purpose of the offering was to raise \$510, 000 to \$990,000 to produce low
4 budget motion pictures.

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

8 8. In connection with these offers and sales, Telecom Action Entertainment, Bill Davis, William
9 Marlin, and William Marlin & Co. misrepresented to investors that:

- 10 a. Telecom Action Entertainment would return the investor’s capital 60-90 days from the
11 date of the investment;
- 12 b. the investors would receive a profit of anywhere from 1.5 to 5 times their capital;
- 13 c. Telecom Action Entertainment “had never failed investors” when, in fact, investors
14 were complaining about the lack of return; and

15 Based upon the foregoing findings, the California Corporations Commissioner is of the
16 opinion that investment contracts in the form of limited partnership interests in Telecom Action
17 Entertainment are securities subject to qualification under the California Corporate Securities Law of
18 1968 and are being or have been offered or sold without first being qualified. Pursuant to Section
19 25532 of the Corporate Securities Law of 1968, Telecom Action Entertainment, also referred to as
20 Telecom Entertainment, Bill Davis, William Marlin, and William Marlin & Co. are hereby ordered to
21 desist and refrain from the further offer or sale in the State of California of securities **in the form of**
22 investment contracts in the form of limited partnership interests, unless and until qualification has
23 been made under said law or unless exempt. The sale of such securities is subject to qualification
24 under said law and such securities are being or have been offered for sale without first being so
25 qualified. This Order is necessary, in the public interest, for the protection of investors and consistent
26 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

27 Further, the California Corporations Commissioner is of the opinion that the securities of
28 Telecom Action Entertainment, also referred to as Telecom Entertainment, were offered or sold in

1 this state by means of written or oral communications which included an untrue statement of a
2 material fact or omitted to state a material fact necessary in order to make the statements made, in the
3 light of the circumstances under which they were made, not misleading, in violation of section 25401
4 of the Corporate Securities Law of 1968. Pursuant to Section 25532 of the Corporate Securities Law
5 of 1968, Telecom Action Entertainment also referred to as Telecom Entertainment, Bill Davis,
6 William Marlin, and William Marlin & Co. are hereby ordered to desist and refrain from offering or
7 selling or buying or offering to buy any security in the State of California, including but not limited to
8 investment contracts in the form of limited partnership interests, by means of any written or oral
9 communication which includes an untrue statement of a material fact or omits to state a material fact
10 necessary in order to make the statements made, in the light of the circumstances under which they
11 were made, not misleading. This Order is necessary, in the public interest, for the protection of
12 investors and consistent with the purposes, policies, and provisions of the Corporate Securities Law
13 of 1968.

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15 Dated: April 16, 2003
16 Sacramento, California

DEMETRIOS A. BOUTRIS
California Corporations Commissioner

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20 By _____
21 VIRGINIA JO DUNLAP
22 Assistant Commissioner
23 Enforcement and Legal Services
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