

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of
ALPINE PICTURES, INC., ADVANTAGE MUSIC LLC,
THE BRIDGE GROUP, ROLAND CARROLL,
RYAN J. CARROLL, RENE TORRES, JAMES A. JONES,
DONALD OSBORNE, MARK HART, and
CHARLES OVERTON,

PETITION FOR ORDER

Respondent.

File No. S-04082(EX)

The staff of the State of Wisconsin Department of Financial Institutions, Division of Securities, Bureau of Registration & Enforcement has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats., and as a result thereof alleges as follows:

1. Alpine Pictures, Inc. ("API") is a foreign business entity with a last known business address of 3500 West Olive Ave., Ste. 300, Burbank, CA 91505
2. Advantage Music, LLC ("AMLLC") is a foreign business entity with a last known business address at that of API.
3. The Bridge Group is a foreign business entity listed on the website of API, www.alpinepix.com, as the contact for questions concerning client and/or investor relations, with a last known business address at that of API.
4. Roland Carroll (DOB 9/14/54) ("Roland") is an individual who at all times material hereto has been the President of API, with a last known business address at that of API.
5. Ryan J. Carroll (DOB 9/30/58) ("Ryan") is an individual who at all times material hereto has been the CEO of API, with a last known business address at that of API.
6. Rene Torres ("Torres") is an individual who at all times material hereto has been the Director of Domestic & International Sales of API, with a last known business address at that of API.
7. James A. Jones ("Jones") is an individual who at all times material hereto has been Manager of AMLLC and The Bridge Group, with a last known business address at that of API and a last known residence address of 205 S. Festival Dr., #208, Anaheim, CA 92808.
8. Donald Osborne ("Osborne") is an individual who at all times material hereto has been an agent of AMLLC and Jones, with a last known business address at that of API.
9. Mark Hart ("Hart") is an individual who at all times material hereto has been an agent of AMLLC and Jones, with a last known business address at that of API.
10. Charles Overton ("Overton") is an individual who at all times material hereto has been an agent of AMLLC and Jones, with a last known business address at that of API.
11. During the period of March 2004, Osborne, Hart and Overton, on behalf of AMLLC and Jones, offered to at least one person in Wisconsin shares of limited liability interest of AMLLC.

12. The person in Wisconsin referred to above had no pre-existing relationship with any of the Respondents.
13. In connection with the offer referred to in Paragraph 11 above, Hart stated that AMLLC is a "holding company" for Alpine Pictures and Overton also said, "We (Advantage Music) have a very close relationship with Alpine Pictures, and in fact we are a holding company for them."
14. According to the offering materials received by the person in Wisconsin, AMLLC was formed to co-finance the production of projects to be produced and distributed by API.
15. Upon information and belief, investors can play a passive role in the company with no duties and responsibilities.
16. Upon information and belief, each investor will not be involved in the day-to-day management of AMLLC, since there are too many investors for them to each have any meaningful input, and they do not have the expertise or experience necessary to perform its duties.
17. Since the investors will be involved in a common enterprise with the expectation of profits to be derived from the essential managerial efforts of others, the "shares of limited liability interest" of AMLLC offered by AMLLC, Jones, Osborne, Hart, and Overton are investment contracts as defined by section DFI-Sec. 1.02(6)(a), Wis. Adm. Code, and are therefore securities as defined by sec. 551.02(13), Wis. Stats.
18. Exhibit C-Form of Subscription Agreement of the AMLLC offering materials received by the person in Wisconsin states that "the securities have not been registered under the Securities Act of 1933, as amended (the "Act"), and are being sold pursuant to the exemption provided by Rule 506 promulgated thereunder."
19. Upon information and belief, the exemption referred to in Paragraph 18 above is Rule 506 of Regulation D promulgated pursuant to Section 4(2) of the Securities Act of 1933, as amended by adoption of the National Securities Markets Improvement Act of 1996.
20. Upon information and belief, the Wisconsin offeree was cold-called by a person with whom they had no pre-existing relationship, in violation of section 4(2)'s ban on general solicitation.
21. The Rule 506 exemption referred to above is not available for the offers and sales of the AMLLC investment contracts.
22. The AMLLC investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.
23. AMLLC, Jones, Osborne, Hart, and Overton have violated sec. 551.21(1), Wis. Stats., by offering unregistered securities in Wisconsin.
24. In connection with the offers of the securities described above, Osborne, Hart, and Overton transacted business in Wisconsin as "agents" for AMLLC and Jones, as that term is defined by sec. 551.02(2), Wis. Stats.
25. At no time have Osborne, Hart, and Overton been licensed as securities agents pursuant to Ch. 551, Wis. Stats.
26. Osborne, Hart, and Overton have violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as unlicensed securities agents.

27. AMLLC and Jones have violated sec. 551.31(2), Wis. Stats., by employing unlicensed securities agents to represent them in Wisconsin.
28. On October 2, 1992, the Division of Securities, issued Administrative Orders against Jones and Carroll, his agents, servants, employees, and any entity or person directly or indirectly controlled or hereafter organized by or on his behalf, based on allegations of securities law violations.
29. On October 18, 1993, the State of Oregon issued Administrative Orders against Roland, based on allegations of securities law violations.
30. On June 1, 1994 the State of Indiana issued Administrative Orders against Roland, based on allegations of securities law violations, including fraud.
31. On August 30, 1996, the State of Michigan issued an Administrative Order against Ryan, based on allegations of securities law violations.
32. On October 16, 1996, the State of Iowa issued Administrative Orders against Roland and Ryan, based on allegations of securities law violations, including fraud.
33. On November 17, 1997 the State of California issued Administrative Orders against API, Roland, and Ryan, based on allegations of securities law violations.
34. On January 6, 1998, the State of Michigan issued an Administrative Order against Roland, based on allegations of securities law violations.
35. On March 1, 1999, the State of Pennsylvania issued Administrative Orders against Roland and Ryan, based on allegations of securities law violations, including fraud.
36. On April 28, 1999, the State of Missouri issued Administrative Orders against Alpine, based on allegations of securities law violations, including fraud.
37. On April 29, 1999, the Australian Securities and Investments Commission obtained Federal Court Orders restraining a representative of API, Gary William Zinn, from selling API shares in Australia, based on allegations of securities law violations in the offer and sale of approximately \$3 million-worth of API shares to 250 Australian investors.
38. On July 21, 1999, the State of California obtained a permanent injunction against Alpine, based on securities law violations, including fraud.
39. On July 6, 1999 the State of Illinois reached a Settlement Agreement with Alpine, based on allegations of securities law violations, wherein Alpine agreed to make rescission to Illinois investors in its stock.
40. On October 6, 1999 the State of Indiana issued Administrative Orders against API, Roland, and Ryan, based on allegations of securities law violations, including fraud.
41. In connection with the offer of the securities described in Paragraph 11, AMLLC, Jones, Osborne, Hart, and Overton omitted to disclose the actions referred to in Paragraphs 28 through 40.
42. AMLLC, Jones, Osborne, Hart, and Overton have violated sec. 551.41(2), Wis. Stats., by omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in connection with the offer and sale of securities to persons in Wisconsin.

