STATE OF NEW HAMPSHIRE
DEPARTMENT OF STATE
BUREAU OF SECURITIES REGULATION

IN THE MATTER OF:  )
    ) ORDER OF SUMMARY SUSPENSION
    ) C-2018000018
James A. Valentine

NOTICE OF ORDER

This Order commences an adjudicative proceeding under the provisions of RSA 421-B:26-a.

LEGAL AUTHORITY AND JURISDICTION

Pursuant to RSA 421-B:5-501, it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly: to employ any device, scheme, or artifice to defraud; to make any untrue statement of a material fact or to omit 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; or to engage in any act, practice, or course of business which operates as a fraud or deceit upon any person.

Pursuant to RSA 421-B:3-301(a) it is unlawful for any person to offer or sell any security in this state unless it is registered under RSA 421-B, exempt under RSA 421-B:2-201 through
RSA 421-B:2-203, or a federal covered security for which the fee has been paid and the notice has been filed as required by RSA 421-B:3-302

Pursuant to RSA 421-B:6-604, the Secretary of State may summarily order a person to cease and desist from engaging in an act, practice or course of business which would constitute a violation of this chapter.

**NOTICE OF RIGHT TO REQUEST A HEARING**

Pursuant to RSA 421-B:6-604, Respondent has a right to request a hearing. The request must be made within 30 days from receipt of this Order. If Respondent fails to request a hearing on this Order within 30 calendar days of receipt, the order shall become final.

Any such request for a hearing shall be in writing, signed by the respondent or by the duly authorized agent of the above named respondent, and shall be delivered either by hand or certified mail, return receipt requested, to the Bureau of Securities Regulation, Department of State, 25 Capitol Street, Concord, New Hampshire 03301. Respondent has the right to be represented by counsel.

Upon request for a hearing, in the manner and form indicated above, a hearing shall be held not later than fifteen days after such request is received by the Bureau.
STATEMENT OF ALLEGATIONS

The allegations contained in the Staff Petition for Relief dated November 29, 2018 (a copy of which is attached hereto) are incorporated by reference hereto.

ORDER

WHEREAS, finding it necessary and appropriate and in the public interest, and for the protection of investors and consistent with the intent and purposes of the New Hampshire securities laws, and

WHEREAS, finding that the public interest would be irreparably harmed by delay in issuing an order of suspension, and

WHEREAS, finding that the allegations contained in the Staff Petition, if proved true and correct, form the legal basis of the relief requested,

It is hereby ORDERED, that:

Respondent is summarily ordered to cease and desist from the offer and or sale of securities within the State of New Hampshire.

SIGNED,
WILLIAM M. GARDNER
SECRETARY OF STATE
BY HIS DESIGNEE:

Date: 11-30-18

BARRY J. GLENNON, Director
N.H. Bureau of Securities Regulation
STATE OF NEW HAMPSHIRE
DEPARTMENT OF STATE
BUREAU OF SECURITIES REGULATION

25 CAPITOL STREET
CONCORD, NH 03301

REQUEST FOR SUMMARY CEASE AND DESIST
IN THE MATTER OF:

James A. Valentine
C-2018000018

STATEMENT OF FACTS

I. The staff of the Bureau of Securities Regulation, Department of State, State of New Hampshire (the “Bureau”) hereby request the Director issue a summary cease and desist order against Respondent, and makes the following statements of fact:

1. James A. Valentine, (“Valentine”) is an individual with a last known address of 213 N. Federal Highway, Unit 4, Hallandale Beach, FL 33009-4342.

2. Galaxy Pictures, Inc. was a Florida corporation organized on January 28, 2003 with a last known address of 22221 N.E. 164th Street, Suite 301, North Miami Beach, FL 33162. Galaxy Pictures, Inc. was administratively dissolved effective October 1, 2004.

3. Galaxy Pictures II, Inc. has no known state of organization but holds itself out as a corporation with business addresses of 410 E. Leota Street, Suite 5, North Platte, NE 69101 and 800 Silks Run Road, Suite 1330, Hallandale Beach, FL 33009. The Leota Street location is the address for a UPS store, and the Silks Run Road location is the address for a different, unaffiliated corporation called The Movie Studio, Inc.

4. Galaxy Pictures, LLC was a Florida limited liability company organized on February 4, 2003 with a last known address of 2040 N.E. 163rd Street, Suite 307A, North Miami Beach, FL 33162. Galaxy Pictures, LLC was dissolved administratively effective October 1, 2004.

5. Galaxy Pictures II, LLC was a Florida limited liability company organized on September 27, 2007 with a last known address of 2212 N. Surf Road, Apt. 1, Hollywood, FL 33019. Galaxy Pictures II, LLC was dissolved administratively effective September 26, 2008. Another business address associated with Galaxy Pictures II, LLC is 2769 E. Oakland Park Blvd., Fort Lauderdale, FL 33306.
6. On November 26, 2018, the Bureau received a complaint from a New Hampshire resident (the “Complainant”) stemming from a solicitation telephone call by Valentine. During the telephone call, Valentine solicited Complainant to invest in Galaxy Pictures, Inc.

7. After the solicitation telephone call, Valentine sent a follow-up e-mail to the Complainant attaching various documents regarding the purported investment opportunity.

8. According to the information provided by Valentine to Complainant, specifically the “Preliminary Information Sheet,” Valentine was raising $25 million in a limited partnership at $250,000 per unit. The purpose of the limited partnership was to produce a film entitled “Cigarette.”

9. In addition to other terms of the purported investment opportunity offered by Valentine, the Preliminary Information Sheet stated “Investor’s principal is protected against loss for all circumstances, even if the film’s revenues do not produce sufficient equity to return the full amount of principal.”

10. Over several weeks, Complainant received more information from Valentine regarding this purported investment opportunity including the following representations:

   a. Valentine was the executive producer of Galaxy Pictures, Inc.

   b. The limited partnership was called Cigarette Limited Partners 1 (“CLP1”) a/k/a Cigarette Miami Limited Partnership (“CMLP”).

   c. Complainant’s actual investment would not be in CLP1 or CMLP, but rather shares in Galaxy Pictures, trading under ticker symbol GALXF.

   d. That the funds invested would be used to produce the movie “Cigarette-Legend of Donzi” which is a prequel.

   e. The offering was being made to accredited investors under a Reg D filing.

11. Valentine sent the following documents and information either to the Complainant’s personal e-mail or to the voicemail of the Complainant’s personal cell phone:

   a. A subscription agreement for limited partnership units in CMLP;

   b. A Preliminary Information Sheet concerning a “$25,000,000 Limited Partnership Private Placement entitled ‘Cigarette Limited Partners 1.’ 100 units are available at $250,000 each”;

   c. Articles of Incorporation for Galaxy Pictures, Inc.;

   d. A letter from the U.S. Department of the Treasury dated April 14, 2010 concerning a limited liability company, Galaxy Pictures II, LLC; and
e. Stock certificates in the name of Galaxy Pictures II, Inc., organized under the laws of the State of Florida.

12. The Bureau’s investigation of Valentine’s offer to sell shares in a publicly traded company called Galaxy Pictures, Inc. revealed that no such company currently exists.

13. Valentine represented that GALXF was the ticker symbol for Galaxy Pictures. This was not true. Rather, GALXF was connected to Galaxy Resources Limited, a company located in Australia that engages in mineral exploration, mining, and production in Australia, Canada, and Argentina.

14. The Preliminary Information Sheet related to a purported investment opportunity in CLPl. However, the Bureau could not find any evidence that CLP1 legally exists or ever filed a Reg D offering with the U.S. Securities and Exchange Commission.

15. On or about October 25, 2017, the Department of Banking and Securities of the Commonwealth of Pennsylvania issued a Summary Order to Cease and Desist against Valentine, Cigarette Limited Partners I, and Galaxy Pictures II, LLC for violations of Pennsylvania securities laws including the offering and selling of unregistered securities.

16. On or about March 22, 2018, the Wisconsin Department of Financial Institutions, Division of Securities, issued a Summary Order to Cease and Desist against Valentine, for violating Wisconsin securities law for offering unregistered securities in the state and for engaging in a scheme to defraud the public.

17. Neither order from Pennsylvania or Wisconsin was disclosed by Valentine at any time during his conversations with Complainant about investing with, or through, him.

18. The information and documentation Valentine provided Complainant contained numerous material misrepresentations including, but not limited to:

   a. The private offering memorandum was outdated (1999) and incomplete;

   b. The certified articles of incorporation for Galaxy Pictures, Inc. were outdated because the corporation had been dissolved, and the attached partial copies of the articles were for a limited liability company not a corporation;

   c. The subject matter of the Department of the Treasury letter dated April 4, 2010 concerned a limited liability company, Galaxy Pictures II, LLC, that had been dissolved in 2008;

   d. The Preliminary Information Sheet was for a private placement offering in Cigarette Limited Partners I, whereas the subscription agreement was for a different entity identified as Cigarette Miami Limited Partnership;
e. The following business entities were never organized under the laws of any state:
   Galaxy Pictures II, Inc., Cigarette Limited Partners I, and Cigarette Miami Limited Partnership;

f. No Reg D filings for any of the entities affiliated with Valentine have been made, including the entities that had been organized under the laws of the State of Florida; and

g. There is no affiliation between The Movie Studio, Inc. and Valentine or any of his business entities.

19. None of the Galaxy Pictures entities controlled by Valentine have ever been registered for offer and sale in the State of New Hampshire.

20. At no time was James A. Valentine registered with the Bureau in any capacity, nor was he registered with the SEC or FINRA.

STATEMENTS OF LAW

II. The staff of the Bureau hereby petitions the Director and makes the following statements of law under the New Hampshire Revised Statutes Annotated, RSA 421-B, and regulations thereunder:

1. Valentine is a “Person” within the meaning of RSA 421-B:1-102(39).

2. The shares of Galaxy Pictures being offered by Valentine are “securities” within the meaning of RSA 421-B:1-102(53)(A).

3. Pursuant to RSA 421-B:5-501, it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly: to employ any device, scheme, or artifice to defraud; to make any untrue statement of a material fact or to omit 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; or to engage in any act, practice, or course of business which operates as a fraud or deceit upon any person. Valentine is subject to, and violated, this provision when he provided Complainant numerous documents and other information containing material misrepresentations as outlined above.

4. Pursuant to RSA 421-B:3-301(a), it is unlawful for any person to offer or sell any security in this state unless it is registered under RSA 421-B, exempt under RSA 421-B:2-201 through 2-203, or a federal covered security for which the fee has been paid and notice has been filed as required by RSA 421-B:3-302. Valentine is subject to, and violated, this provision when he offered securities to a New Hampshire resident, as outlined herein, when those securities were neither registered nor exempt from registration in the state.

5. Pursuant to NH. RSA 421-B:6-604(a)(1), if the secretary of state determines that a person has engaged, is engaging, or is about to engage, in an act, practice, or course of business
constituting a violation of this chapter or an order issued under this chapter, or that a person has, is, or is about to materially aid an act, practice, or course of business constituting a violation of this chapter or an order issued under this chapter, the secretary of state may issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this chapter.

6. Pursuant to NH. RSA 421-B:6-604(b), an order under N.H. RSA 421-B:6-604(a) is effective on the date of issuance.

**RELIEF REQUESTED**

III. The staff of the Bureau makes the following requests for relief in the above referenced matter as permitted under the Act:

1. Based on the facts and law as outlined herein, issue a Summary Order to Cease and Desist against Valentine, ordering him to immediately cease and desist from the offer and or sale of securities within the state of New Hampshire.

2. Take such other actions as necessary for the protection of New Hampshire investors and enforcement of N.H. RSA 421-B.

Respectfully submitted by:

Noah Abrahams, Staff Attorney

Date: 11/29/2018