

Via Certified Mail to CTECA Addressors
of Starstream Entertainment

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF STATE
BUREAU OF SECURITIES REGULATION**

IN THE MATTER OF:)
)
Starstream Entertainment, Inc.) ORDER TO CEASE AND DESIST
)
)
Respondent) COM2014-0009
)

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:23, the Secretary of State has the authority to issue and cause to be served an order requiring any person appearing to him to be engaged or about to be engaged in any act or practice constituting a violation of RSA 421-B or any rule or order thereunder, to cease and desist from violations of RSA 421-B.

Pursuant to RSA 421-B:24, I, any person who willfully violates a cease and desist order issued pursuant to RSA 421-B:23 shall be guilty of a class B felony.

Pursuant to RSA 421-B:26, the Secretary of State has the authority to impose administrative penalties of up to \$2,500.00 for each violation of this chapter.

Pursuant to RSA 421-B:26,V the Secretary of State may order rescission, restitution or disgorgement for violations of this chapter.

Pursuant to RSA 421-B:22,IV, the Secretary of State shall be entitled to recover the costs of its investigation, and any related proceedings, including reasonable attorney's fees, in addition to any other penalty provided for under RSA 421-B.

NOTICE OF RIGHT TO REQUEST A HEARING

The above named respondent has the right to request a hearing on this order to cease and desist, as well as the right to be represented by counsel. Any such request for a hearing shall be in writing, shall be 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.

Under the provisions of RSA 421-B:23, I, if respondent fail to request a hearing on this order within 30 calendar days of receipt of this order, respondent shall be deemed in default, and this order to cease and desist shall, on the thirty-first day, become permanent.

Upon request for a hearing being received by the Bureau of Securities Regulation, in the manner and form indicated above, a hearing shall be held not later than ten days after such request is received by the Bureau, after which hearing, the Secretary of State, or such other person authorized by statute, shall issue a further order vacating or modifying this order, or making it permanent, as the circumstances require.

STATEMENT OF ALLEGATIONS

The allegations contained in the Staff Petition for Relief dated October 19, 2016, (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 allegations contained in the Staff Petition, if proved true and correct, form the legal basis of the relief requested, therefore:

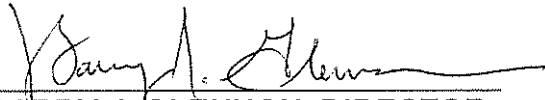
It is hereby **ORDERED**, that:

1. Respondent is hereby ordered to immediately cease and desist from the above indicated acts and from in any other way violating RSA 421-B.
2. Respondent shall produce all information requested in the Bureau's letter of January 6, 2016, identified as Exhibit 1 in its Staff Petition for Relief.
3. Respondent shall offer rescission or restitution to the complainant, in the amount of \$166,000 including interest at the legal rate since the time of the complainant's investments.
4. Respondent shall pay an administrative fine of \$7,500
5. Respondent shall pay the Bureau's investigation costs of \$25,000.
6. Respondent is barred from conducting securities business in the State of New Hampshire.

7. Failure to request a hearing within 30 days of the date of receipt of this Order shall result in a default judgment being rendered and administrative penalties and other relief described herein being imposed upon the defaulting Respondents.

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

Dated: 10 25 16


BARRY J. GLENNON, DIRECTOR,
BUREAU OF SECURITIES REGULATION

**STATE OF NEW HAMPSHIRE
BUREAU OF SECURITIES REGULATION
DEPARTMENT OF STATE
CONCORD, NEW HAMPSHIRE**

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)	
STAFF PETITION FOR RELIEF)	
IN THE MATTER OF:)	
)	
Starstream Entertainment, Inc.)	
)	
)	
)	COM.2014-0009
)	
Respondent)	
)	

STATEMENT OF FACTS

I. The Bureau of Securities Regulation, Department of State, State of New Hampshire (hereinafter referred to as “the Bureau”), hereby petitions the Director, and makes the following statements of fact:

1. Starstream Entertainment, Inc. (hereinafter “SEI”) is a company with a location listed as 140 Rowayton Avenue, Rowayton, Connecticut 06853, and 100 Sky Park Drive, Monterey, California 93940 and is purported to be an entity engaged in the production of featured movies. SEI was formed in the State of Nevada in August 2012. The entity is listed as in default with the State of Nevada. SEI use to be a standalone entity, but it merged with a company called The Gelia Group, Corp. (hereinafter “GGC”) on or about 11/11/2013 and GGC changed its name to SEI on or about 11/11/13. GGC was founded and incorporated in Nevada on or about 8/30/12. SEI and GGC have a series of securities offerings and filings with the Securities and Exchange Commission (hereinafter “SEC”) in 2013. GGC filed a registered offering with the SEC on 1/16/2013 for the sale of GGC common stock, and filed a Regulation D, Rule 506(c) filing with the SEC on or about 10/23/2013. SEI filed an amended Regulation D, Rule 506(c) offering with the SEC noting the name change to SEI on 12/3/2013.

2. Robert J. Raffa (hereinafter “RJR”) is a person residing in Penacook, New Hampshire. For a period of time leading up to the sale of shares described in this Petition, RJR was dating a New Hampshire resident identified as Investor. Upon information and belief, in the fall of 2013 RJR was working for SEI to promote the sale of SEI stock. RJR began telling Investor about

SEI, that it was an entity that owned movie rights to famous films such as The Butler, and that it was a good opportunity and time to invest in SEI. In his past, RJR was professionally licensed in the securities industry, has a CRD number of 1777049, and has extensive knowledge of stock trading and investing. RJR informed Investor that he had in his past acted as a consultant to take companies public and Investor believed that RJR was acting as a consultant for SEI. In November 2013, RJR brought Investor to principles of SEI in Rowayton, Connecticut, for the sole purpose of viewing an SEI power-point securities solicitation presented by officers of SEI. In Rowayton, Investor was shown the power-point presentation on SEI at the house of Abraxas Discala. It was there that Investor met with Charles Bonan and Abraxas Discala officers of SEI.

3. After the power-point presentation, when RJR and Investor were back in New Hampshire, on or about 11/8/2013, RJR again solicited Investor to invest her IRA money into SEI. RJR had possession of the SEI power-point presentation in New Hampshire and again used it in his solicitation of Investor and convinced her to invest large sums of money in her IRA into SEI. Investor purchased One-Hundred and Sixty-Six Thousand Dollars (\$166,000.00), worth of SEI common stock and obtained 200,000 shares, and a SEI stock certificate numbered 1127. The price per share was .83.
4. RJR obtained a subscription agreement, investor package and investor questionnaire for SEI stock for the investment made by Investor. This SEI documentation was mostly filled out by RJR at Fidelity in New Hampshire and contained in the documentation was identifying information of Investor including her name, home address in Manchester, New Hampshire and her tax identification number. This SEI subscription and investor package was forwarded to SEI and countersigned by Kim Leadford, CEO of SEI. Upon instructions, Fidelity transmitted the investment funds of \$166,000 to SEI's escrow agent Ofsink, LLC electronically on or about 11/8/2013. Investor was subsequently sent a SEI stock certificate 1127 signed by Kim Leadford and Charles Bonan President of SEI and the shares deposited into her Fidelity account. The stock certificate is dated 11/15/2013.
5. On January 16th, 2016, the Bureau filed an enforcement action against RJR alleging that RJR committed fraud under RSA 421-B:3 when he solicited Investor to purchase SEI stock as an accredited investor at a time when Investor was not in fact accredited. On September 27th, 2016, the Bureau Examiner found that Investor was in fact solicited by RJR on several occasions to purchase SEI stock. Upon information and belief, RJR solicited the SEI stock sales on behalf of SEI and SEI knew or should have known that Investor was not accredited and that Investor resided in New Hampshire requiring SEI to file appropriate paperwork to register the SEI shares in New Hampshire. Although the offer and sale of SEI stock occurred in the State of New Hampshire, no filing was made of any kind with the Bureau by

either GGC or SEI. Further, neither GGC nor SEI made any attempts to determine that Investor was in fact accredited as is required by Rule 506 (c) other than the assertions of such made by RJR on the investor subscription paperwork.

6. On 1/6/2016, the Bureau sent a written request for production of information to SEI's counsel pursuant to RSA 421-B:22 to find out more about this transaction and to acquire any related documents. On 1/20/2016, counsel for SEI responded and refused to provide responses to the Bureau's investigative inquiry stating that the Bureau did not have jurisdiction over the matter.

STATEMENTS OF LAW

II. The Bureau hereby petitions the Director and makes the following statements of law under the New Hampshire Revised Statutes Annotated, RSA 421-B (hereinafter referred to as the Act):

1. RJR and SEI are persons within the meaning of RSA 421-B:2.
2. Pursuant to RSA 421-B:6,I, it is unlawful for any person to transact business in this state unless such person is licensed under RSA 421-B or exempt from licensing. SEI is in violation of this section for transacting business in securities in New Hampshire unlicensed.
3. Pursuant to RSA 421-B:8,III, the Secretary of State may require at any reasonable time and in any reasonable manner from any person or company subject to the chapter, statements, reports, including reports audited by independent public accountants, answers to questionnaires and other information, and evidence thereof, in whatever form he designates, and at such reasonable intervals as he may choose. SEI is in violation of this section for not producing the requested information.
4. Pursuant to RSA 421-B:11, I, 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:17, or a federal covered security for which the fee has been paid and notice has been filed as required by RSA 421-B:11,I-a. SEI is in violation of this section for selling SEI stock in New Hampshire without registration or exemption.
5. Pursuant to RSA 421-B:17,V, and RSA 421-B:11,I-b(c), the burden of proving an exemption or preemption from registration is upon the person claiming it.

6. Pursuant to RSA 421-B:22,I(r), the Secretary of State may require an issuer to report to him all transactions as they pertain to any security. Such reports shall be made within 10 days after the demand. SEI is in violation of this section for not producing the requested information.
7. Pursuant to RSA 421-B:22,II, for the purpose of any investigation, hearing or proceeding under RSA 421-B, the secretary of state or any officer designated by him may subpoena witnesses, compel their attendance, take evidence and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records which the secretary of state deems relevant or material to the inquiry. SEI is in violation of this section for not producing the requested information.
8. Pursuant to RSA 421-B:22, the Bureau may recover the costs of its investigation.
9. Pursuant to RSA 421-B:23, whenever it appears to the secretary of state that any person has engaged or is about to engage in any act or practice constituting a violation of this chapter or any rule under this chapter, he shall have the power to issue and cause to be served upon such person an order requiring the person to cease and desist from violations of this chapter. SEI is subject to this section for violations of RSA421-B:6, 421-B:8, 421-B:11, and 421-B:22.
10. Pursuant to RSA 421-B:26,III, any person who, either knowingly or negligently, violates any provisions of this chapter may, upon hearing, and in addition to any other penalty provided for by law, be subject to such suspension, revocation or denial of any registration or license, or an administrative fine not to exceed \$2,500, or both. Each of the acts specified shall constitute a separate violation. SEI is subject to a suspension, revocation, or denial, and a fine for violations of RSA 421-B:6, 421-B:8, 421-B:11 and 421-B:22. .
11. Pursuant to RSA 421-B:26,III-a, every person who directly or indirectly controls a person liable under paragraph III, every principal executive officer, or director of such person, may, upon hearing, and in addition to any other penalty provided by law, be subject to such suspension, revocation, or denial of any registration or license, or administrative fine not to exceed \$2,500, or both. Each of the acts specified shall constitute a separate violation, and such administrative action or fine may be imposed in addition to any criminal penalties imposed pursuant to RSA 421-B:24 or civil liabilities imposed pursuant to RSA 421-B:25. SEI is in violation of this section for the acts of RJR.

11. Pursuant to RSA 421-B:26,V, after notice and hearing, the Secretary of State may enter an order of rescission, restitution, or disgorgement directed to a person who has violated RSA 421-B. SEI is subject to his section for violations of RSA 421-B.

RELIEF REQUESTED

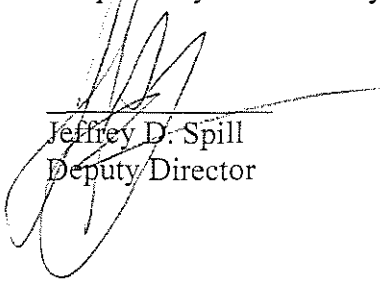
III. The Bureau makes the following requests for relief in the above-referenced matter as permitted under the Act.

1. Find as fact the statements contained in section I of the Statements of Fact.
2. Make conclusions of law relative to the statements contained in section II of the Statements of Law.
3. Pursuant to RSA 421-B:23, issue an order to cease and desist against SEI, for violations under the Act pursuant to RSA 421-B:23.
4. Assess administrative fines and penalties of \$2,500 per violation against SEI totaling 7,500, for the above-referenced violations under the Act.
5. Order the Respondent to produce the information requested by Bureau letter dated 1/6/2016 attached as exhibit 1.
6. Order SEI to pay the costs of this investigation in the amount of \$25,000.
7. Issue an order barring, suspending, and revoking, any license and registration privileges of the Respondent pursuant to RSA 421-B:26,III and 421-B:26,III-a.
8. Take any other just and equitable relief as permitted under the Act including but limited to rescission, restitution, or disgorgement in the amount of \$166,000.

RIGHT TO AMEND

The Bureau's staff reserves the right to amend this Petition for Relief and requests that the Director of Securities Regulation take further enforcement action.

Respectfully submitted by:



Jeffrey D. Spill
Deputy Director

10/19/16
Date

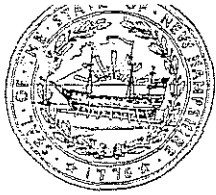


Exhibit 1

State of New Hampshire

Department of State Bureau of Securities Regulation

Barry Glennon
Director

107 North Main Street, State House Rm. 204
Concord, NH 03301-4989
Telephone: (603) 271-1463. Fax: (603) 271-7933

1/6/2016

Andrew Goodman, Esq.
Garvey Schubert Barer
100 Walls Street
NY, NY 10005-3708

Re: Bureau investigation into
Starstream Entertainment, Inc. ("SEI")
Charles Bonan ("CB")
Robert Raffa ("RR")

Dear Mr. Goodman:

The Bureau is conducting an investigation into the stock sales of SEI to determine whether there is or has been a violation of our Securities Act RSA 421-B. This request for documents and information is continuing in nature, requiring a supplemental response and production when new, different or clarifying information comes into the possession of the person whom this request is addressed or the possession of any such person's counsel. In connection with this request, the Bureau requires that SEI preserve and maintains all documents. Pursuant to this request, SEI must ensure that all records, e-mail messages, and other documents in its possession, custody, or control, whether stored on paper, electronically, or in any other form, that are related to this investigation, are preserved until further written notice of the Bureau. Pursuant to RSA 421-B:8 and 421-B:22 please provide a copy of the following:

DEFINITIONS

- A. "Document" includes, but is not limited to any writings, e-mails, drawings, graphs, charts, photographs, audio or video recordings, computer records (including, but not limited to floppy diskettes, hard disks, ZIP disks, CD-ROMs, optical discs, backup tapes, printer buffers, smart cards, memory calculators, pagers, personal digital assistants such as Palm Pilot computers, as well as printouts from any magnetic storage device), and other data compilations from which information can be obtained and translated, if necessary, through detection

devices into reasonably useable form. A draft or non-identical copy is a separate document within the meaning of the term.

B. "Identify", "describe" or "state" means, when used in reference to:

1. A natural person: if a non-employee of SEI, his or her full name, present or last known residence and business addresses; and with respect to each present or past employee of SEI; the full name, date such person began and, if applicable, terminated, as well as the title and job description of each position he/she held and the dates thereof.
2. A company, corporation, association, joint venture, sole proprietorship, firm, partnership or any other business or legal entity not a natural person: its full name and principal place of business now and at the time in question; its state of incorporation or juridical status and, if different, its current juridical status and the date and place of its formation; and a description of the type of entity and the nature of its business activities now and at the time in question.
3. An oral statement or communication: (a) the date and the place where uttered; (b) the place where received; (c) the means or medium employed for transmission thereof; and (d) the identity of each person to whom such statement or communication was made, and each person who was present when such statement was received.

C. The term "person" includes natural persons, proprietorships, partnerships, firms, corporations, and any other legal entity of any kind or nature.

D. "SEI" refers to Starstream Entertainment, Inc. or affiliated person, or any entity, person, agent or employee acting on its behalf.

E. As used herein, the term "relate" or "relating to" means constituting, comprising, evidencing, containing, setting forth, showing, disclosing, describing, explaining, summarizing, concerning, or referring to.

F. "Relevant time period", means the time period from January 1st, 2013 to the date of this request.

INSTRUCTIONS

1. If any requested document was, but is no longer, in your possession or subject to your control, state what disposition was made of the document and, if the document is, to the best of your knowledge, still in existence, identify the person who has possession or control of the document.
2. If a request seeks a specific document or an itemization category which is not in your possession, control, or custody, provide any document you have that contains all or part of the information contained in the requested document or category.
3. If a claim of privilege, provide a statement setting forth:
 - a) the name and title of the author;
 - b) the name and the title of the person to whom the document was addressed;
 - c) the name and titles of those to whom copies of the document were sent;
 - d) the date on which the document was written or otherwise produced and the date on which it was mailed or sent;
 - e) the number of pages;
 - f) a brief description of the document;
 - g) provide a legal memorandum setting forth the grounds upon which it is being withheld; and
 - h) the paragraph number to which the document is otherwise responsive.
4. With respect to each document produced pursuant to this request, indicate the paragraph to which each document is responsive. Bates stamp all documents produced. Documents contained on a CD or provided in electronic format shall be searchable and in pdf format.

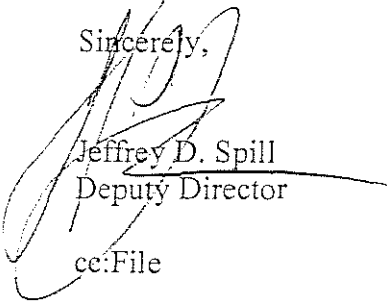
DOCUMENT REQUESTS

1. A list of all New Hampshire residents that are or have ever been investors of SEI. Include their address and phone number, amount of shares purchased, date of purchase, dollar amount of purchase and the name of the SEI person involved in any way with the sale to the investor.
2. All documents in the possession of SEI related to the sale to the New Hampshire investors including but not limited to subscription agreements, brochures, offering documents, power-point presentation, investor letters and memorandums.
3. All communications of any kind with the New Hampshire investors including but not limited to letters, e-mails and phone conversations.
4. A list of all SEI employees, officers and members of the board of directors during the relevant time period.
5. Any financial statements of SEI for the relevant time period including but not limited to audited financial statements, unaudited financial statements or pro forma statements.
6. A description of any SEI financial interest in any movie or film in the relevant time period including but not limited to any production rights, distribution rights, any royalty, or any lease arrangement.
7. Identify any income received by SEI from any movie or film during the relevant time period.
8. A copy of any securities filing made by SEI with the State of New Hampshire for SEI during the relevant time period.
9. Any document, communication, agreement or business arrangement of any kind made between SEI and Robert Raffa.
10. A list of all business locations for SEI including address and phone number.
11. A list of any legal proceedings or actions against SEI or any of its officers, directors or employees during the relevant time period.
12. A list of any person or entity affiliated with SEI or any of SEI's officers or directors during the relevant time period including the current address and phone number.

13. Any bank account number and the name and location of each bank doing business with SEI during the relevant time period.

You have 10 days from the date of this letter to respond to this inquiry. As this investigation is ongoing, additional requests for information may follow. Thank you in advance. If you have any questions, please call.

Sincerely,



Jeffrey D. Spill
Deputy Director

cc:File