

**STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:	)	
	)	
FREAKY DEAKY LIMITED PARTNERSHIP	)	
dba FREAKY DEAKY MOVIE LIMITED	)	
LIABILITY COMPANY	)	
dba FREAKY DEAKY PARTNERS	)	
LIMITED LIABILITY COMPANY	)	ADMINISTRATIVE ORDER
FINAL CUT PRODUCTIONS, INC.	)	NO. CD 2010- 00 <sup>58</sup>
STEVEN M. BEREZ	)	
ROSS ANGEL	)	
DELITHA FLOYD	)	
	)	
<b>RESPONDENTS</b>	)	

**CEASE AND DESIST ORDER**

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities into, within or from the state of Alabama, has determined as follows:

**RESPONDENTS**

1. **FREAKY DEAKY LIMITED PARTNERSHIP, ("FREAKY DEAKY")** is a California Limited Partnership representing itself as a motion picture development and production business, with a business address of 15355 Morrison Street, Suite 210, Sherman Oaks, California, 91403.

2. **FREAKY DEAKY MOVIE, LIMITED LIABILITY COMPANY, ("FREAKY DEAKY, MOVIE, LP")** is identified as a California limited partnership conducting business as

**FREAKY DEAKY** with a business address of 15355 Morrison Street, Suite 210, Sherman Oaks, California, 91403.

3. **FREAKY DEAKY PARTNERS LIMITED LIABILITY COMPANY, ("FREAKY DEAKY, LLC.)** is a California limited liability company also conducting business as **FREAKY DEAKY** with a business address of 15355 Morrison Street, Suite 210, Sherman Oaks, California, 91403.

4. **FINAL CUT PRODUCTIONS, INCORPORATED, ("FINAL CUT")** is a California Corporation involved in the solicitation of Alabama investors in **FREAKY DEAKY** with a business address of 15355 Morrison Street, Suite 210, Sherman Oaks, California, 91403.

5. **STEVEN M. BEREZ ("BEREZ")** represents himself as the managing member and an executive officer of **FREAKY DEAKY, LP** and a contact person for **FINAL CUT** with a business address of 15355 Morrison Street, Suite 210, Sherman Oaks, California, 91403.

6. **ROSS ANGEL ("ANGEL")**, is represented as an Executive Producer of **FINAL CUT** with a business address of 15355 Morrison Street, Suite 210, Sherman Oaks, California, 91403.

7. **DELITHA FLOYD ("FLOYD")**, is represented as an Associate Producer of **FINAL CUT** with a business address of 15355 Morrison Street, Suite 210, Sherman Oaks, California, 91403.

#### **STATEMENT OF FACTS**

8. The Commission has learned that on June 27, 2007 **FREAKY DEAKY MOVIE** filed with the California Department of Corporations as a Limited Liability Company after making its first securities offering in California on February 1, 2007 under California

Rule 260.103.

9. On March 23, 2008, **BEREZ** acting as the Managing Member of **FREAKY DEAKY, LP** notified the California Department of Corporations of a Rule 506, Regulation "D" Private Placement Offering of limited partnership units. Two days later on March 25, 2008, **BEREZ** was identified and named as a respondent in a "Desist and Refrain Order" number OAH 2008100191 issued by the California Department of Corporations for general solicitations through telemarketing "cold calls" to California investors.

10. In June and July 2010, **ANGEL** and **FLOYD** acting as agents of **FINAL CUT** representing **FREAKY DEAKY** and **BEREZ** contacted an Alabama resident by telephone and e-mail soliciting his investment in Limited Partnership Units of **FREAKY DEAKY**. Furthermore, the **RESPONDENTS** provided the Alabama resident with a *"Limited Partnership Offering Subscription Booklet, a Confidential Offering Memorandum, a Limited Partnership Agreement of Freaky Deaky, L.P. and IRA rollover forms"*. A review of all the offering documents by the Commission and an interview of the Alabama resident revealed the absence of disclosure of the "Desist and Refrain Order" number OAH 2008100191 issued by the California Department of Corporations and sustained by an Administrative Law Judge on June 16, 2009.

11. On August 10, 2010, the Commission received notice from **BEREZ** acting as Managing Member of General Partner, **FREAKY DEAKY** of an exemption pursuant to Rule 506 of Regulation "D" and the National Securities Market Improvement Act of 1996 to an Alabama investor. However, in his correspondence and filing **BEREZ** omitted to notify the Commission of the California Administrative action.

12. The Commission was notified on October 12, 2010, by the Alabama resident that **FLOYD** contacted him the day before by telephone advising him that the offering was now registered with the Commission in Alabama, attempting to obtain the Alabama resident's investment in **FREAKY DEAKY**.

13. On November 18, 2010 a review of the Commission's registration files disclosed no record of registration for the respondents as a Dealer or Agent for securities in the state of Alabama.

### **CONCLUSIONS OF LAW**

14. Section 8-6-2(10), Code of Alabama 1975, enumerates any "certificate of interest or participation in any profit sharing agreement" as a security. The Limited Partnership Units as described in item number ten (10) are securities under the Act.

15. Section 8-6-2(8) defines an offer and offer to sell to include every attempt to offer or dispose of, or solicitation of an offer to buy, a security. The oral statements made and correspondence sent to the Alabama residents, identified in item ten (10) represent an offer under the Act.

16. Section 8-6-17(a)(2), Code of Alabama 1975, states "It is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly, 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 light of the circumstances under which they are made, not misleading". The failure to notify the Alabama resident of the California, "Desist and Refrain Order" represents an omission of a material fact and is a violation of the Act.

17. Under Section 8-6-2(2), Code of Alabama 1975, the definition of "agent" includes any individual who represents a dealer or an issuer in effecting or attempting to effect sales of securities. The **RESPONDENTS** representing **FREAKY DEAKY** effected the offer of a security in the form of the Limited Partnership Units with **FREAKY DEAKY**. Therefore, the **RESPONDENTS** are agents as described in the Act.

18. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any person to transact business in this state as a Dealer or Agent for securities unless he is

registered under this article. The **RESPONDENTS** acted as Agents of **FREAKY DEAKY** while not being registered with the Commission in violation of the Act.

19. Section 8-6-4, Code of Alabama 1975 states: It is unlawful for any person to offer or sell any security in this state unless it is registered under the Act; the security is exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11. The securities offered by the **RESPONDENTS** to wit, the "Limited Partnership Units" had been filed as exempt transactions with the Commission pursuant to Rule 506 Regulation "D", on August 10, 2010. However, the exemption by means of the cold calls to the Alabama resident in June and July 2010 violated the requirements of the said exemption. Therefore, the securities identified in Paragraph ten (10) are not exempt from registration by the Commission and were offered in violation of the Act.

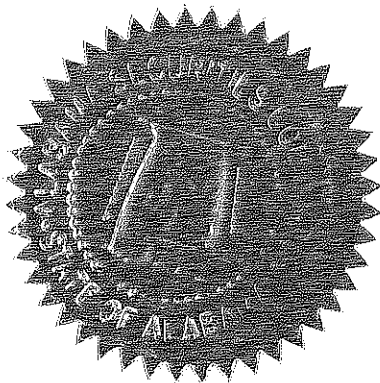
This Order is appropriate in the public interest for the protection of investors and consistent with the purposes of the Alabama Securities Act.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that may be available to it under the Alabama Securities Act.

Additionally, if the allegations set forth herein are found to be true, through administrative adjudication, failure of the **RESPONDENTS** to make a timely request for hearing, or default of the **RESPONDENTS**, it is the intention of the Commission to impose sanctions upon the **RESPONDENTS**. Such sanctions may include, inter alia, an administrative assessment imposed on **RESPONDENTS**, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against **RESPONDENTS**, and a permanent order to bar **RESPONDENTS** from participation in any securities related industry in the state of Alabama.

**ACCORDINGLY, IT IS HEREBY ORDERED** that **RESPONDENTS** immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, AL, this 23<sup>rd</sup> day of November, 2010.



**ALABAMA SECURITIES COMMISSION**  
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Montgomery, AL 36104  
(334) 242-2984

BY:

  
J. Randall McNeill  
Deputy Director