

STATE OF ARKANSAS  
SECURITIES DEPARTMENT

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IN THE MATTER OF

NO. S-02-011-02-FO01

GOLF ENTERTAINMENT, INC.; D/B/A  
SIENNA BROADCASTING INC.;  
DR. TIM BROOKER, FORMER DIRECTOR  
and CEO; JOHN DODGE, GENERAL COUNSEL  
and SENIOR VICE-PRESIDENT; JIM BOLT,  
CHIEF OPERATING OFFICER and VICE-PRESIDENT;  
RONALD G. FARRELL, FORMER CEO and BOARD  
MEMBER; THE GENESIS TRUST; MEL ROBINSON,  
TRUSTEE; CHARLES M. RUSK, MANAGING TRUSTEE

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FINAL ORDER

Pursuant to Ark. Code Ann. § 23-42-209(a)(2), a hearing was held on this matter before the Arkansas Securities Commissioner on October 23<sup>rd</sup>, 2002. Appearing on behalf of Respondent Golf Entertainment, Inc., and himself was John Dodge, Attorney at Law. No other respondent, or a representative for any other respondent, appeared. Appearing on behalf of the staff of the Arkansas Securities Department was Bruce H. Bokony, Chief Counsel. No oral testimony was presented.

FINDINGS OF FACT

1. The "First Amended Cease and Desist Order," Order No. S-02-011-02-CD02, issued by the Arkansas Securities Commissioner on September 17, 2002, is incorporated herein by reference as if set out herein word for word.
2. On September 17, 2002, the Commissioner received a written request from Mr. Dodge requesting a hearing on behalf of all parties.

3. On September 19, 2002, the Commissioner notified Mr. Dodge in writing that a hearing would be held on October 23<sup>rd</sup>, 2002, in the offices of the Commissioner.
4. The records of the Commissioner do not reflect that the 15 million shares (“Shares”) of Respondent Golf Entertainment, Inc. (“Golf”) issued pursuant to the Settlement Agreement entered into between Golf and Respondent The Genesis Trust (“Genesis”), as ordered in U.S. District Court, Western District of Arkansas, Case No. 02-5088, on May 6, 2002, were ever registered pursuant to the Arkansas Securities Act, Ark. Code Ann. § 23-42-101, *et seq.* (the “Act”).
5. In the absence of registration, Ark. Code Ann. §§ 23-42-501(2) and 501(3), require any transfer of the Shares, in particular the transfer of Shares by Golf to Genesis and the subsequent sales by Genesis to the public, to qualify for an exemption under the Act or be “covered securities” as defined by Ark. Code Ann. § 23-42-102(4).
6. Golf claims the Shares are exempt from the registration requirements of the Act because the Shares were transferred pursuant to Section 3(a)(10) of the Securities Act of 1933 [15 U.S.C. 77c(a)(10)].
7. Section 3(a)(10) of the Securities Act of 1933 provides that any security which is issued in exchange for one or more bona fide outstanding securities is exempt from the registration provisions of the Securities Act of 1933. However, Section 18(b)(4)(C) of the Securities Act of 1933 [15 U.S.C. 77r(b)(2)(C)] states that securities issued pursuant to Section 3(a)(10) of the Securities Act of 1933, although exempt from the registration requirements of the federal Securities Act

of 1933, are not “covered securities” for purposes of exemption from the registration requirements of any state’s securities laws.

8. Respondents have failed to cite or claim any applicable exemption from the registration provisions of the Act with regard to the transfers of the Shares.

#### CONCLUSIONS OF LAW

9. Ark. Code Ann. § 23-42-506 provides that the burden of proving an exemption under the Act is upon the person claiming it. Respondents have failed to meet their burden of establishing that the transfer of the Shares from Golf to Genesis, and the subsequent sales by Genesis to the public, are exempt from the registration provisions of the Act. Respondents claim that the Shares are exempt from the registration provisions of the Act pursuant to Section 3(a)(10) of the Securities Act of 1933 fails for the reasons cited above.

#### OPINIONS

10. This matter has been properly brought before the Arkansas Securities Commissioner in accordance with Ark. Code Ann. § 23-42-209.
11. The transfer of the Shares from Golf to Genesis and the subsequent transfer of the Shares from Genesis to the public were in violation of the Act.
12. It is in the public interest that the “First Amended Cease and Desist Order,” Order No. S-02-011-02-CD02, issued in this matter on September 17, 2002 be affirmed.

ORDER

IT IS THEREFORE ORDERED that the "First Amended Cease and Desist Order," Order No. S-02-011-02-CD02, issued in this matter on September 17, 2002, is a final and binding order. Its provisions are incorporated herein by reference and Respondents remain subject to those provisions.

WITNESS MY HAND AND SEAL this 28<sup>th</sup> day of October 2002.

A handwritten signature in black ink, appearing to read "M. Johnson". The signature is written in a cursive, flowing style with a large initial "M" and a long, sweeping tail.

MICHAEL JOHNSON  
ARKANSAS SECURITIES COMMISSIONER