

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: SCREEN MEDIA TECHNOLOGY, INC,)
ITS OFFICERS, DIRECTORS,) File No. 0700031
EMPLOYEES, AGENTS, AFFILIATES,)
SUCCESSORS AND ASSIGNS AND)
JAMES R. SCHULER)
)

Consent Order

TO THE RESPONDENTS: Screen Media Technology, Inc.
James R. Schuler
1630 Clinton Ave.
Alameda, CA 94501

WHEREAS, Respondents, Screen Media Technology, Inc., on January 18, 2011, executed a certain Stipulation To Entry Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, the Respondents have admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing in this matter and the Respondents have consented to the entry of this Consent Order.

WHEREAS, the Secretary of State, by and through his designated representative, the Securities Director, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceeding.

WHEREAS, the Respondents have acknowledged, without admitting nor denying, that the allegations contained in paragraph seven (7) of the Stipulation shall be adopted as the Secretary of State's Findings of Fact as follows:

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1. That the Respondent, Screen Media Technology, Inc., was a purported corporation, which maintained a last known business address of 1141 Harbor Bay Parkway, Suite 203, Alameda, CA 94502.
2. That Respondent, James R. Schuler was the Chairman and majority owner of Screen Media Technology, Inc.
3. That on or about September 7, 2004, the Respondents, sold to Illinois residents, CS and MS, Husband and Wife, a 1% interest in Screen Media Technology, Inc. in the form of stock for a sales price of \$100,000.00.
4. On or about September 18, 2004, in furtherance of the above transaction, MS wired transferred \$100,000.00 to an account in the name of James R. Schuler.
5. On or about March 23, 2005, James R. Schuler sold a promissory note to CS and MS promising a return of 4% in 30 days in return for a payment of \$50,000.00.
6. On or about March 24, 2005, in furtherance of the above transaction, MS wire transferred \$50,000.00 to an account in the name of James R. Schuler
7. That the above-referenced stock and promissory note are securities as that term is defined pursuant to Section 2.1 of the Illinois Securities Law [815 ILCS 5/1 et seq.] (the "Act").
8. That Section 5 of the Act provides, inter alia, that all securities except those set forth under Section 2a, or those exempt under Section 3, or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.
9. That at all times relevant hereto, the securities issued by Screen Media Technology, Inc and James R. Schuler were not registered with the Secretary of State pursuant

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to Section 5 of the Act prior to their offer or sale in the State of Illinois.

10. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell any securities except in accordance with the provisions of the Act.
11. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document required to be filed under any provision of the Act.
12. That at all times relevant hereto, the Respondent, Screen Media Technology, Inc, by and through its officers, directors, employees, agents, affiliates, successors and assigns and James R. Schuler, failed to file an application for registration of the above referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois.
13. That by virtue of the foregoing, the Respondent, Screen Media Technology, Inc., by and through its officers, directors, employees, agents, affiliates, successors and assigns and James R. Schuler, has violated Sections 12.A and 12.D of the Act.
14. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection D of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State.
15. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act.
16. That by virtue of the foregoing, the Respondents, Screen Media Technology Inc. and James R. Schuler, are subject to a fine of up to \$10,000.00 per violation and an order

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which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

WHEREAS, the Respondents have acknowledged, without admitting nor denying, that the allegations contained in paragraph eight (8) of the Stipulation shall be adopted as the Secretary of State's Conclusions of Law as follows:

1. That by virtue of the foregoing, the Respondents, Screen Media Technology, Inc., their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns and James R. Schuler, violated Sections 12.A and 12.D of the Act.
2. That by virtue of the foregoing, Respondents, Screen Media Technology, Inc., their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns and Jimmy Lane, are subject to an order of Permanent Prohibition.

NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. The foresaid allegations contained in the Stipulation shall be and are hereby adopted as the Secretary of State's Findings of Fact and Conclusions of Law.
2. The Respondents are permanently prohibited from offering and/or selling securities in the State of Illinois.
3. The Respondents shall pay a fine of \$2,000 dollars to the Securities Department Audit and Enforcement Fund by certified or cashier's check made payable to the Illinois Secretary of State within thirty (30) days of the entry of this Order.
4. The Notice of Hearing in this matter is dismissed.

ENTERED: This 19th day of January, 2011.

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JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12(D) of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

Attorney for the Secretary of State
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