

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:)
)
EARNEST PAUL LAMONICA)
)
 RESPONDENT)

**ADMINISTRATIVE ORDER
NO. OB-2006-00⁴²**

ORDER OF BAR

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, upon due consideration of the subject matter hereof, has determined as follows:

RESPONDENT

1. Earnest Paul Lamonica ("LAMONICA") with a home address of 6200 Meadowood, Reno, Nevada 89502, was at all times relevant to this matter represented as the President of DIGITAL ENTERTAINMENT CORPORATION ("DEC") a business incorporated in Reno, Nevada on September 25, 1995. His current address is Shelby County Work Release, 260 McDow Road, Columbiana, Alabama, 35051.

STATEMENT OF FACTS

2. In 1995, LAMONICA sold to an Alabama resident \$61,000 in bonds issued by DEC and represented that the investment would be used in the operation and purchase of low power television stations in several different cities across the United States.

3. A check of the registration files of the Alabama Securities Commission revealed neither LAMONICA nor the bonds he sold were registered with the Commission.

4. On July 27, 2003 the Grand Jury of Shelby County, Alabama issued indictments against LAMONICA for Sale of Unregistered Securities, Sale of Securities by an Unregistered Agent, Securities Fraud and Theft of Property in the 1st Degree.

5. On October 10, 2006 in the circuit court Shelby County, Alabama, LAMONICA pled guilty to one count of "Sale of Securities by an Unregistered Agent", a class C felony, and one count of "Theft of Property in the 1st Degree", a class B felony.

CONCLUSIONS OF LAW

6. Pursuant to Code of Alabama 1975, Section 8-6-2(10), the definition of a security includes any note, bond, debenture, or evidence of indebtedness. Lamonica sold \$61,000 of bonds in Digital Entertainment Corporation to an Alabama resident. The bonds, representing an evidence of indebtedness of Digital Entertainment Corporation are Securities as defined in the Act.

7. Pursuant to Code of Alabama 1975, Section 8-6-3(j)(7), the Securities Commission may by order bar any person from employment with a dealer or investment adviser, or restrict or limit a person as to any function or activity of the securities business for which registration is required in this state if the Commission finds that the order is in the public interest and that the person has engaged in dishonest or unethical practices in the securities business. Lamonica plead guilty to Theft of Property in the 1st Degree, committed by effecting transactions in the securities of Digital Entertainment Corporation in order to convert the proceeds to his personal use, constituting a dishonest or unethical business practice.

8. 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 the Act. LAMONICA was not registered as a broker dealer agent, investment advisor, or an investment advisor representative in the State of Alabama. LAMONICA unlawfully effected transactions in securities while not registered as a dealer or agent under the Act.

9. Pursuant to Code of Alabama 1975, Section 8-6-3(j)(3), the Securities Commission may by order bar any person from employment with a dealer or investment adviser, or restrict or limit a person as to any function or activity of the securities business for which registration is required in this state if the Commission finds that the order is in the public interest and that the person has been convicted of any felony. Lamonica plead guilty in the Circuit Court of Shelby County, Alabama, to Theft of Property in the 1st Degree, a class B felony, and Sale of Securities by an Unregistered Agent, a class C felony.

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

ACCORDINGLY, IT IS HEREBY ORDERED that Earnest Paul Lamonica be **BARRED** from registration or engaging in securities activities into, within or from the state of Alabama.

Entered at Montgomery, Alabama this 12th day of December, 2006.



ALABAMA SECURITIES COMMISSION
770 Washington Avenue, Suite 570
Montgomery, AL 36130-4700
(334) 242-2984

BY:

A large, stylized handwritten signature in black ink, appearing to read "Joseph P. Borg", is written over the printed name and title.

JOSEPH P. BORG
Director