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**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

STATE OF IDAHO, Department of)	
Finance, Securities Bureau,)	Docket No. 2006-7-29
)	
Complainant,)	
)	
vs.)	CEASE AND DESIST ORDER
)	AND NOTICE OF THE
FRONT ROW TICKETS, also known as)	OPPORTUNITY FOR A
FRONT ROW EVENTS, operating as)	HEARING
FRONTROWEVENTS.COM,)	
ANTHONY PETROELLI, ANTHONY DOE,)	
ROBERT PILLING, and their agents and)	
representatives,)	
)	
Respondents,)	
)	

Gavin M. Gee, Director of the Department of Finance (Director), being authorized and directed to administer and enforce the Idaho Uniform Securities Act (2004), Idaho Code §30-14-101 *et seq.*, (the “Act”) hereby alleges the following facts that constitute a basis for the issuance of an order pursuant to Idaho Code § 30-14-604(a)(1) requiring

Respondents Front Row Tickets aka Front Row Events, operating as Frontrowevents.com (Front Row), Anthony Petroelli (Petroelli), Anthony Doe (Doe), and Robert Pilling (Pilling) to cease and desist from violating the Act by selling unregistered securities to Idaho residents and engaging in misrepresentations or omissions of material fact, in connection with the offer, sale, or purchase of a security to Idaho residents.

FINDINGS OF FACTS

1. Respondent Front Row also uses the name “Front Row Events” in documents it produces. Front Row uses the website www.frontrowevents.com for retail ticketing services.

2. Respondents Doe and Petroelli are assumed to be the same individual. This individual has been represented to be the president and owner of Front Row.

3. Respondent Pilling is a representative and promoter of an investment program offered by Front Row to Idaho residents. His current address is believed to be 254A 3rd Street West, Cardston, Alberta, Canada T0K 0k0.

4. Front Row’s address as provided on its website and in its website registration is 1802 58th Street South, Lethbridge, Alberta, Canada, T1K 7E3.

5. The Respondents have never been registered as issuers of securities or as securities broker/dealers with the State of Idaho, Department of Finance, Securities Bureau (Department) under the Act, nor have they registered or otherwise qualified any security with the Department for offer or sale to Idaho residents. The securities sold by

Respondents are not exempt from registration with the Department as required by the Act.

6. Respondents claim that they purchase tickets to concerts, sports events and other big name events and then resell them at a profit with a mark up as much as 400%. The tickets are sold to other ticket brokers or directly through their website: www.frontrowevents.com.

7. Respondents borrow money from investors purportedly for the purpose of financing the purchase of tickets. Investors provide the capital and in return the investors receive a promissory note from Respondents.

8. Under the terms of the promissory notes entered into between Respondents and investors, investors agree to give Respondents a principal sum and in return, Respondents agree to repay investors a stated sum of money plus interest. The interest rate promised to investors in the promissory notes is 8% per month which can be sent to the investor each month or the investor can choose to leave the interest to compound annually within the investment and receive a return of 152% per year. A sample of a promissory note offered by Respondents to investors is attached hereto as Exhibit "A."

9. The Respondents and their representatives solicited Idaho investors by publishing advertisements in the Boise edition of the American Classified Newspaper. The advertisement offers a compound interest return of 152% annually on a minimum investment of \$10,000.00. The American Classified Newspaper is circulated throughout

most of southwest Idaho. A copy of Respondent's advertisement in The American Classified Newspaper is attached hereto as Exhibit "B."

10. The Respondents send interested investors a contract to sign and the investors are instructed to wire the money to a bank in New York.

11. The investor's money is allegedly pooled with other investor money and used for ticket purchasing.

12. In January of 2006, D.H., an Idaho resident, invested in Respondent's company. D.H. also referred other Idaho residents to the Respondents for the purpose of investing in Respondent's company. D.H. was offered a 10% finder fee or commission on each person she brought into the program.

13. In the course of offering or selling the security, Respondents failed to disclose to D.H. and other Idaho investors, (1) the risks associated with an investment in the ticket program; (2) the Respondents' financial condition and their ability to repay the promissory notes they sold; (3) information about the company; (4) a list of Front Row's officers, directors, or control persons and biographical information concerning the same; and (5) Respondents and the investments they purportedly offered and sold were not registered with the Department as required under the Act.

CONCLUSIONS OF LAW AND VIOLATIONS

COUNT ONE: OFFER OR SALE OF UNREGISTERED SECURITY

14. Paragraphs 1 through 13 set forth above are fully incorporated herein by this reference.

15. The promissory notes Respondents sold to D.H. and other Idaho residents constitute a security within the meaning of Idaho Code § 30-14-102(28).

16. Idaho Code § 30-14-301 provides that it is unlawful for a person to offer or sell a security in Idaho unless: (a) the security is a federal covered security; (b) the security, transaction or offer is exempted from registration under Idaho Code §§ 30-14-201 through 30-14-203; or (c) the security is registered under the Act. The Department has made reasonable inquiry and based on that inquiry concludes that the security offered and sold by the Respondent is not a federal covered security and is not exempt from the registration requirement of Idaho Code § 30-14-301.

17. Respondent's offer or sale of a security to Idaho residents without properly registering such security with the Department constitutes a violation of Idaho Code § 30-14-301.

COUNT TWO: UNLICENSED ACTIVITY

18. Paragraphs 1 through 17 set forth above are fully incorporated herein by this reference.

19 Idaho Code § 30-14-401 provides that it is unlawful for a person to transact business in this state as a broker-dealer unless the person is registered under this chapter as a broker-dealer or is exempt from registration as a broker-dealer.

20. The Respondents were acting as broker-dealers' when they offered or sold securities to Idaho residents. Respondents are not licensed to sell securities in the State of Idaho. The Department has made reasonable inquiry and based on that inquiry

concludes that Respondents are not exempt from the registration requirement of Idaho Code § 30-14-301.

21. Respondents' failure to register as broker-dealers in the State of Idaho constitutes a violation of Idaho Code § 30-14-401.

COUNT THREE: FRAUDULENT CONDUCT – OMISSIONS

22. Paragraphs 1 through 21 set forth above are fully incorporated herein by this reference.

23. In connection with the offer and sale of securities, Respondents omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of the antifraud provisions of the Act. The omissions include, but are not limited to, the following:

- a) Respondents failed to fully disclose to D.H. and other investors the risks associated with an investment in the Front Row ticketing investment program.
- b) Respondents failed to disclose to D.H. and other investors the financial condition and operating history of Front Row.
- c) Respondents failed to disclose financial and background information on the owners and promoters of the Front Row investment program.
- d) Respondents failed to disclose to the investors that the securities offered and sold were not registered for sale in the State of Idaho.

e) Respondents failed to disclose to D.H. and the other investors that Respondents were not licensed to sell securities in Idaho.

25. Based on the foregoing, Respondents have violated Idaho Code, Section 30-14-501(2).

COUNT FOUR: FRAUDULENT CONDUCT—MISREPRESENTATIONS

24. Paragraphs 1 through 23 set forth above are fully incorporated herein by this reference.

25. In connection with the offer or sale of securities, Respondents misrepresented material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading in violation of the antifraud provisions of the Idaho Uniform Securities Act. The misrepresentations include, but are not limited to, the following:

- a) Respondents represented to investors that they could receive an investment return of 8% per month or 152% per year. Respondents provided no reasonable basis in support of their claims of such returns.
- b) Respondents represented to investors that the investment would be less risky than the stock market. The Respondents provided no reasonable basis for such statements.
- c) Respondent Pilling represented to investors that there were no commissions paid.

d) Respondents told D.H. and other investors that they would receive a 10% commission for bringing new investors into the program.

26. By virtue of the foregoing, Respondents have violated Idaho Code § 30-14-501(2).

REQUESTED RELIEF

27. Idaho Code § 30-14-604(a)(1) provides that if the Director determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of the Act, the Director may issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with the Act.

28. Idaho Code § 30-14-604(d) provides that the Director may impose a civil penalty not to exceed five thousand dollars (\$5,000) for each violation in a final order issued under Idaho Code § 30-14-604(c).

29. Idaho Code § 30-14-604(e) provides that the Director may impose the actual cost of investigation for a violation of the Act in a final order issued under Idaho Code § 30-14-604(c).

CEASE AND DESIST ORDER

The Director, having reviewed the foregoing, and good cause appearing therefore,

THE DIRECTOR HEREBY FINDS that the Respondents, their agents, and employees have violated the Uniform Securities Act (2004), Idaho Code § 30-14-101 *et seq.*, as alleged in paragraphs 1 through 31 above.

NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

The Respondents, their agents, and employees shall CEASE AND DESIST from violations of the Uniform Securities Act (2004) and rules promulgated thereunder, to include offering or selling unregistered securities to Idaho residents, and engaging in securities fraud, by failing to disclose material facts in connection with the offer, sale or purchase of a security to Idaho residents.

You are hereby NOTIFIED that the Director intends to seek a civil penalty of \$5,000 for each violation, pursuant to Idaho Code § 30-14-604(d), and costs of investigation in this matter, pursuant to Idaho Code § 30-14-604(e) at a hearing in this matter, or in a final order, should no hearing be requested. Pursuant to Idaho Code § 30-14-604(d), this Order is effective on the date of issuance.

NOTICE OF THE OPPORTUNITY FOR A HEARING

The Respondents shall take notice that if the Respondents wish to contest the foregoing ORDER TO CEASE AND DESIST, the Respondents shall file a request for hearing pursuant to Idaho Code § 30-14-604(b) within thirty (30) days after the service of this ORDER TO CEASE AND DESIST. If the Respondents does not timely request a hearing and none is ordered by the Director within that time period, the ORDER TO CEASE AND DESIST, which may include a civil penalty or costs of the investigation, becomes final as to the Respondents by operation of law. If a hearing is timely requested or ordered, the Director, after notice of and opportunity for a hearing, may modify or vacate the ORDER or extend it until final determination.

A request for a hearing must be requested in writing addressed to:

Marilyn T. Chastain
Securities Bureau Chief
Idaho Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031

A copy of such request must also be served on the Department's counsel, Joseph B. Jones, Deputy Attorney General, at the same address.

If a hearing is timely requested or ordered pursuant to Idaho Code § 30-14-604(b), a hearing will be set by the Director within fifteen (15) days after receipt of a timely written request, and such hearing will be conducted pursuant to Chapter 52, Title 67, Idaho Code. A final order may not be issued unless the Director makes findings of fact and conclusions of law in a record pursuant to Chapter 52, Title 67, Idaho Code. The final order may make final, vacate, or modify the ORDER.

If the Respondent requires any assistance of the kind the Department provides under the Americans with Disabilities Act (e.g. sign language interpreters, Braille copies of documents) in order to participate in or understand these proceedings, the Department will supply such reasonable assistance upon an advance request.

This ORDER TO CEASE AND DESIST is effective upon its issuance.

IT IS SO ORDERED.

DATED this 21st day of August, 2006.



GAVIN M. GEE, Director
Idaho Department of Finance

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 21st day of August, 2006, I caused a true and correct copy of the foregoing CEASE AND DESIST ORDER to be served on the following by the designated means:

Anthony Petroelli
1802 58th Street South
Lethbridge, Alberta, Canada T1K 7E3

- U.S. mail, postage prepaid
- certified mail
- overnight mail
- hand delivery

Robert Pilling
254A 3rd Street West
Cardston, Alberta, Canada T0K 0k0

Front Row Tickets
1802 58th Street South
Lethbridge, Alberta, Canada T1K 7E3



Renea Ridgeway