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BEFORE THE ARIZONA CORPORATION COMMISSION

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CARL J. KUNASEK  
Chairman  
JIM IRVIN  
Commissioner  
WILLIAM A. MUNDELL  
Commissioner

In the matter of )  
SAFARI MEDIA, INCORPORATED )  
1580 North Kolb, #200 )  
Tucson, Arizona 85715 )  
MARYANNE CHISHOLM )  
4056 N. West Fernhill Circle )  
Tucson, Arizona 85750 )  
MARK FILLMORE CHISHOLM )  
4056 N. West Fernhill Circle )  
Tucson, Arizona 85750 )  
THUC NGUYEN )  
300 Linda Vista Terrace )  
Freemont, California 94539, )  
Respondents. )

DOCKET NO. S-03242A-99-0000

RESPONSE TO RESPONDENT THUC  
NGUYEN'S MOTION TO DISMISS  
FOR LACK OF PERSONAL  
JURISDICTION

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The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") brought this action under the Securities Act of Arizona, ARS § 44-1801 *et seq.* (the "Act") to enjoin the sale of corporate stock in Safari Media, Inc., for administrative penalties under A.R.S. § 44-2036, for restitution to investors of amounts paid for Safari Media, Inc. stock, and for other related relief. The Division asks that the Motion to Dismiss filed by Respondent Thuc Nguyen ("Respondent") be denied for the reasons enumerated.

PRELIMINARY STATEMENT

The Division disagrees that during the pertinent time described *In the Matter of Safari Media, Inc. et al.*, Respondent was a California resident with his place of business in California. In fact, during the pertinent time described, Respondent maintained business addresses in California, Utah and Arizona.

1 In the case International Shoe Co. v. Washington, the Supreme Court established a test  
2 based on minimum contact with the forum state. "Due process requires only that in order to  
3 subject a defendant to a judgment in personam, if he be not present within the territory of the  
4 forum, he have certain minimum contacts with it such that the maintenance of the suit does not  
5 offend 'traditional notions of fair play and substantial justice'." <sup>1</sup> The International Shoe case  
6 involved a corporate defendant, but the language quoted above, is applicable to individuals as well.

7 The Division argues that Respondent did have substantial contact, constituting minimum  
8 contacts, with Arizona sufficient to give rise to personal jurisdiction over him. In fact, Respondent  
9 was a Director of, and actively offered and sold stock in, Safari Media, Inc. ("Safari") an Arizona  
10 based company, during the pertinent time. Further, as an agent, officer and director of Safari,  
11 Respondent worked outside of Arizona to perpetrate a fraud. Respondent took actions that were  
12 purposefully directed toward Arizona as detailed in this Response. The sale of unregistered Safari  
13 stock to over 500 investors, in Arizona and elsewhere, generated over \$14,000,000.00. The sales  
14 were as a result of the fraudulent scheme in which Respondent participated.

15 **STATEMENT OF FACTS**

16 During all pertinent times, Respondent worked for, and later became an agent, officer and  
17 director of Safari, a company whose only office is located in Tucson, Arizona. Safari was  
18 incorporated as a Delaware company April 23, 1996. Respondent's connection to the Arizona  
19 company dates back to its inception in 1996. He originally helped in developing Safari's  
20 Computer Based Training ("CBT") Center and preparing for retail marketing and computer basic  
21 training products. In addition, he allegedly brought lenders to Safari to assist in venture capital  
22 funding. Respondent advanced to Executive Vice President of CBT Research and Marketing and a  
23 voting member of the Safari Board of Directors. Respondent identified himself as a member of the  
24 Investor Relations Committee and the Executive Committee for Safari.

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<sup>1</sup> International Shoe Co. v. Washington, 326 U.S. 310 (1945).

1 Safari has always maintained its offices within Arizona. Money sent to Arizona was  
2 deposited into bank accounts in Arizona and all sales of stock were processed from the Arizona  
3 office. Stock certificates were sent to investors from Arizona and investors with questions or  
4 concerns were directed to telephone the office in Arizona.

5 In 1999, Respondent and Safari negotiated a sub-lease with Patrician Associates, Inc., d.b.a.  
6 Bernal Corporate Park for a lease in the name of Entex Information Service, Inc. The suite, #320,  
7 was located at Bernal Corporate Park, 7011 Koll Center, Pleasanton, California 94566. The 52-  
8 month sub-lease was to begin June 1, 1999. The suite was to be leased to Safari Media, Inc. d.b.a.  
9 Nguyen Group Inc. The lease was never executed and Safari continued to do business only from  
10 the Tucson, Arizona offices.  
11

12 Respondent had substantial contact with Arizona, given the fact that he was an agent,  
13 officer and director in a company whose only office is in Arizona. As an agent, officer and director  
14 of Safari, Respondent was instrumental in the sale of the company's unregistered stock. At least  
15 seven (7) investors wrote checks to Respondent for their purchase of Safari's unregistered stock.  
16 Respondent's substantial contact was sufficient to give rise to personal jurisdiction over him.

## 17 ARGUMENT

### 18 Respondent's Motion is Not Timely

19 On November 9, 1999 the Division filed a Temporary Order to Cease and Desist and  
20 Notice of Opportunity for Hearing Regarding Proposed Order for Relief. The Notice specified that  
21 Respondents would be afforded an opportunity for an administrative hearing on this matter upon  
22 filing a written request with Docket Control of the Commission within twenty (20) days of receipt  
23 of the Notice under AAC Rule R14-4-307. Respondent was properly served on March 1, 2000, by  
24 personal service upon his employee at his business address, in Las Vegas, Nevada. Respondent  
25 failed to request a hearing and instead filed a Motion to Dismiss on May 31, 2000, three months  
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1 after lawful service. Respondent did not request a hearing and did not respond within the time  
2 limits. For these reasons his Motion to Dismiss should be denied.

3 The Division has Jurisdiction Under the Arizona Long-Arm Statute

4 Arizona will exert personal jurisdiction over a nonresident litigant to the maximum extent  
5 allowed by the federal constitution.<sup>2</sup> Respondent had substantial contact with Arizona sufficient to  
6 give rise to personal jurisdiction over him. Safari employed Respondent as the Executive Vice  
7 President of the CBT Division and as a director on the Safari Board of Directors. He was an agent  
8 in Safari, instrumental in the sale of unregistered Safari stock. Respondent promoted the company  
9 stock, participated in the offer and sale of Safari stock, instructed offerees to contact the office in  
10 Arizona, and to send their money to the Safari office in Tucson, Arizona or in the alternative to the  
11 Respondent himself. In return, Safari sent stock certificates from the Tucson, Arizona office to  
12 shareholders throughout the United States. Additionally, the United States Supreme Court and  
13 Arizona courts have both rejected the concept that "employees who act in their official capacity  
14 are somehow shielded from suit in their individual capacity."<sup>3</sup>

15 1. "Doing Business" in Arizona

16 Respondent did maintain a business number or address in Arizona. In July 1997,  
17 Respondent advised a Washington state resident that he was the Executive Vice President of CBT  
18 Marketing and Research for Safari, and a non-voting Board member. His e-mail address was  
19 Thucn@Safari-Media.com.

20 Respondent has also used the Safari office address as his personal address. Safari provided  
21 a list of shareholders that include the Respondent, in response to a subpoena for records. The list is  
22 dated October 13, 1997. Respondent's address is Safari Media, Inc., 2425 South Prudence,

23 <sup>2</sup> Ariz.R.Civ.P. 4.2(a), Houghton v. Piper Aircraft Corp., 112 Ariz. 365, 367, 542 P.2d 24, 26  
24 (1975). ("Arizona's long arm statute ... is intended to give Arizona residents the maximum  
privileges permitted by the Constitution of the United States.").

25 <sup>3</sup> Keeton v. Hustler Magazine, Inc., 465 U.S. 770, 781 n. 13 (1984); Davis v. Metro Productions,  
26 Inc., 885 F.2d 515, 521-22 (9<sup>th</sup> Cir. 1989); Macpherson v. Taglione, 158 Ariz. 309, 312, 762 P.2d  
596, 599 (App. 1988); Sullivan v. Metro Prods. Inc., 150 Ariz. 573, 577, 724 P.2d 1242, 1246  
(App. 1986).

1 Tucson, Arizona 85710. The list shows the Respondent owned 450,000 shares of stock at that  
2 time. (Exhibit A).

3 In September 1997, the State of Washington filed an Entry of Findings of Fact and  
4 Conclusions of Law and Final Order to Cease and Desist and Revoking Exemptions against Safari,  
5 Maryanne Chisholm and the Respondent. The Final Order describes Respondent as a field  
6 representative for CD-ROM and on-line textbook development for Safari. The Washington state  
7 pleadings list Respondent's address as Safari Media, Inc., 2425 South Prudence, Tucson, Arizona  
8 85710.

9 The Division served a subpoena for records on Safari in October 1997. Exhibit A of the  
10 subpoena, item #7, required "the names, addresses and phone numbers for all transfer agents,  
11 market makers, registrars and any other persons or entities that have offered or sold securities for  
12 or on behalf of the corporation." Safari filed a response dated October 13, 1997 that referred to an  
13 attached Exhibit C. Exhibit C lists Ms. Maryanne Chisholm and the Respondent as the only  
14 individuals that offered or sold securities for or on behalf of Safari. Respondent's address is listed  
15 as Safari Media, Inc., 2425 South Prudence, Tucson, Arizona 85710. (Exhibit B).

16 A Safari Media Newsletter dated May 12, 1998 provides of list of Safari employees that  
17 shareholders can contact. Respondent is listed by name, as the Executive Vice-President. His e-  
18 mail address is Thucn@Safari-Media.com. (Exhibit C).

19 As an employee of a company based in Arizona, Respondent engaged in a "systematic and  
20 continuous course of conduct within the state" since 1996. <sup>4</sup>

21 2. Respondent Caused Events to Occur Within or From Arizona

22 Arizona courts have held that the initial act of causation is not required to occur in Arizona.  
23 It is enough that the resulting event or effect occurred in the forum state. A defendant will be  
24 subject to personal jurisdiction by the courts if he purposefully performs an act outside the state  
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<sup>4</sup> Denn v. Southern Peru Commper Corp., 19 Ariz. App. 453 at 455 (1973).

1 that is directed towards the forum state and causes foreseeable harm within the forum state.<sup>5</sup> The  
2 plaintiff does not have to prove that the defendant had physical contact with the forum.<sup>6</sup> Further,  
3 “it is not the occurrence of the initiating act of causation which is required in this state but rather  
4 that the resulting event or effect be in this state.”<sup>7</sup>

5 Respondent, as an agent, officer and director of a company located only in Arizona, caused  
6 the sale of unregistered securities to occur when he promoted, offered and sold the stock to  
7 individuals throughout the United States. The Respondent is hearing impaired and depends, in  
8 part, on electronic equipment to communicate with others. He used those devices to contact  
9 individuals throughout the United States and promote Safari stock. As a member of the deaf  
10 community the Respondent was in a position of trust with other deaf individuals. He violated that  
11 trust when he promoted the sale of an unregistered security to other deaf persons. As a result of  
12 his acquaintances in the deaf community, a large number of the shareholders in Safari are hearing  
13 impaired.

14 The Respondent instructed offerees and shareholders that dealt with him to send their  
15 money to Safari at the address in Tucson, Arizona or to the Respondent himself. Money coming  
16 into Arizona was deposited into an Arizona bank. Stock certificates were sent from the Arizona  
17 office, after payment, to the investors throughout the United States. Although the Respondent and  
18 many shareholders were located outside of Arizona, the actual sale of the unregistered security  
19 took place within Arizona when the money was received and accepted and the stock certificates  
20 were dispatched from Arizona to the investors. Without Respondents actions in promoting,  
21 offering and selling the unregistered stock, the resulting effect, sales and issuance of shares, would  
22 not have occurred.

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24 <sup>5</sup> Core-Vent Corp. v. Nobel Industries AB, 11 F.3d 1482, 1486 (9<sup>th</sup> Cir. 1993) citing Calder v.  
25 Jones, 465 U.S. 783 (1984); see also, Powder Horn Nursery, Inc. v. Soil & Plant Laboratory, Inc.,  
20 Ariz. App. 517, 520, 514 P.2d 270, 273 (1973).

26 <sup>6</sup> Core-Vent Corp. v. Nobel Industries AB, 11 F.3d 1482, 1486 (9<sup>th</sup> Cir. 1993).

<sup>7</sup> Id.

1 Federal Due Process Standard

2 Under the Federal Constitution, two factors govern the scope of due process for in  
3 personam jurisdiction: (1) defendant's "minimum contacts" with the forum state and (2) the  
4 reasonableness of exercising jurisdiction over the foreign defendant.<sup>8</sup>

5 1. Respondent had minimum contacts with Arizona

6 Respondent was more than a "stockholder or member in Safari". As an agent, officer and  
7 director he had sufficient minimum contact with Arizona to allow an assertion of personal  
8 jurisdiction over him. The Division conducted an Examination Under Oath ("EUO") of Ms.  
9 Chisholm on July 10, 1998. Ms. Chisholm testified that she and the Respondent were the only two  
10 individuals that offered any securities on behalf of Safari. At the time of the EUO, Respondent  
11 was responsible for computer basic training marketing and selling. He also handled development  
12 of Internet software development for CBT marketing and training. Ms. Chisholm testified that  
13 Respondent became part of the company November 1, 1996. At that time he began receiving  
14 shares of stock as payment for work he was doing for Safari. Respondent worked for the company  
15 by helping to develop the CBT Center and prepare for retail marketing and computer basic training  
16 products. In addition, he received shares for bringing lenders to Safari Media to assist in venture  
17 capital funding. At the time of the EUO Ms. Chisholm testified that Respondent held 450,000  
18 shares of stock in Safari. She explained that Respondent received 15% of any revenue account he  
19 brought into the company. He could choose to take the 15% in cash or stock and the stock was  
20 valued at \$1 per share. The maximum number of shares he could earn was 400,000 in addition to  
21 the 450,000 he currently held. At the time of the EUO Respondent was Executive Vice President  
22 of CBT Marketing and Research. Ms. Chisholm said Respondent was to begin receiving a salary  
23 in August 1998. (Exhibit D). In fact, between 1997 to 1999 Respondent received a total of  
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25 <sup>8</sup> U.S.C.A. Const.Amend. 14, 16 A.R.S. Rules Civ.Proc., Rule 4.2(a); Asahi Metal Indus. V.  
26 Superior Court, 480 U.S. 102, 107 S.Ct.1026, 94 L.Ed.2d 92 (1987).

1 \$139,284 from Safari. Financial records reveal that Respondent received \$12,500 from Safari in  
2 1997, \$89,651 in 1998 and \$37,133 in 1999.

3 Respondent maintained a business number in Arizona. In correspondence and in Safari  
4 Media Newsletters Respondent identifies his e-mail address as Thucn@Safari-Media.com.

5 The Safari Media, Second Annual Report – 1997 contains a letter from the Respondent,  
6 who identified himself as the Executive Vice President of CBT Research and Marketing. This  
7 letter to the shareholders details the work that Respondent was doing on behalf of Safari. (Exhibit  
8 E).

9 In April 1998, Respondent sent an e-mail promoting a workshop he was conducting, to be  
10 held June 19 and 20, 1998. The workshop was hosted and taught by the Respondent. He described  
11 himself as Executive Vice President for CBT Research and Marketing and a member of the  
12 Investor Relations Committee, the Executive Committee and the Board of Directors with Safari.  
13 (Exhibit F). His position on the Board was confirmed in corporate records for Safari, which show  
14 that during the Board of Directors meeting on July 15, 1998, Respondent was granted voting  
15 privileges for five years.

16 In August 1998, and June 1999, the Safari web site, in a section entitled “Meet the Safari  
17 Staff”, described the Respondent as Executive Vice President of CBT Research and Marketing for  
18 Safari Media, Inc. The site, including a photo of Respondent, explained that as Executive Vice  
19 President, Respondent “oversees all CBT related duties for Safari, including revenues, educational  
20 relationships, new CBT related products, and overall industry.” (Exhibit G).

21 As an employee since 1996 and as Executive Vice President, a Member of the Executive  
22 Committee, a Member of the Board of Directors, and a Member of the Investor Relations  
23 Committee of Safari, Respondent had an ongoing relationship with Safari and thereby had  
24 minimum contacts with Arizona.  
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1           2.       It is Fair and Reasonable to Exercise Jurisdiction Over This Respondent

2           In determining whether it is reasonable to subject the Respondent to in personam  
3 jurisdiction of Arizona Courts it is necessary to consider Respondent's burden of litigation in  
4 Arizona, Arizona's interest in resolving the action, plaintiff's interest in obtaining relief in  
5 Arizona, and other state's procedural and substantive interests in Arizona's exercise of  
6 jurisdiction.<sup>9</sup>

7           Respondent made a deliberate decision to market the stock throughout the United States  
8 when he took part on the Internet offering of stock. Respondent and Safari offered the stock in a  
9 Reg. D 504 Offering on the Internet, an inherently illegal offering because of prohibitions on  
10 public solicitations. This offering resulted in the Order filed against the Respondent and others in  
11 September 1997, by the State of Washington. Washington filed an Entry of Findings of Fact and  
12 Conclusions of Law and Final Order to Cease and Desist and Revoking Exemptions based on this  
13 Internet offering and written communications with the Respondent and Safari.

14           Additionally, the Respondent promoted, offered and sold Safari stock to investors  
15 throughout the United States after removal of the offering from the Internet. Arizona has a strong  
16 interest in protecting all citizens from a fraudulent investment being sold within its borders. The  
17 active investigation and pursuit of legal remedies acts as a deterrent to future selling of  
18 unregistered and/or fraudulent securities within and from the state. Exercising jurisdiction over the  
19 Respondent who participated in the offer and sale of an unregistered security within or from  
20 Arizona is appropriate. Arizona provides a forum for it's residents and other state's residents  
21 harmed by this fraudulent investment. The sales occurred in Arizona after the company received  
22 payment in Arizona and mailed the stock certificates to investors from Arizona. The company is  
23 based in Arizona, the bank accounts and important witnesses reside in Arizona, and a good deal of  
24 material evidence is located here. Given the significance of Arizona's interest in pursuing and

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<sup>9</sup> U.S.C.A. Const. Amend. 14, 16 A.R.S. Rules Civ. Proc., Rule 4.2(a).

1 stopping the sale of unregistered securities within its boundaries, providing a forum to all  
2 individuals harmed by this behavior is reasonable.

3 Further, defending this action in Arizona will not create a hardship on the Respondent  
4 sufficient to outweigh the state's interest in providing a local forum for adjudication. Just as  
5 Respondent availed himself of electronic devices including TDX machines, facsimile machines,  
6 photocopiers and the Internet during his employment with Safari, these devices also answer the  
7 logistical problems for a lawsuit pending in Arizona. The United States Supreme Court noted that  
8 "as technology has drawn the world markets closer, 'progress in communications and  
9 transportation has made defense of a suit in a foreign tribunal less burdensome'."<sup>10</sup>

### 10 CONCLUSION

11 Respondent had sufficient minimum contacts so that due process permits Arizona to  
12 exercise personal jurisdiction and require Respondent to answer for the harm his behavior caused  
13 here. Exercising jurisdiction here is fair and reasonable. "Due process is not a territorial shield to  
14 avoid interstate obligations that have been voluntarily assumed."<sup>11</sup>

15 Safari is an Arizona enterprise. The company's base of operations is in Arizona and its  
16 only place of business is in Arizona. Respondent willingly worked for Safari since 1996. He acted  
17 as an agent, officer and director in the company and freely promoted, offered and sold securities in  
18 the form of unregistered stock to individuals throughout the United States. The stock was not  
19 registered in any of the states in which it was sold. Respondent instructed offerees to send their  
20 money to the Safari office in Arizona and in some cases to him directly. The terms of the sale  
21 were formed in Arizona, the investor funds were accepted in Arizona, placed in an Arizona bank  
22 account and all of the unregistered stock was issued from Arizona.

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25 <sup>10</sup> A. Uberti and C. v. Leonardo, 892 P.2d 1354, 1364, 181 Ariz. 565 (Ariz. 1995); Hanson v.  
Denckla, 357 U.S. 235 at 251, 78 S.Ct. 1228 at 1238.

26 <sup>11</sup> A. Uberti and C. Leonardo, 892 P.2d 1354, 1364, 181 Ariz. 565 (Ariz. 1995).

1 Arizona has sufficient state interest in the sale of unregistered securities in a company  
2 based in this state. Safari has no headquarters outside of Arizona. Every important aspect of each  
3 security sale took place in Arizona, and the corporation's entire existence centered around  
4 Arizona. Individuals throughout the United States, including Arizona, were defrauded when they  
5 purchased these unregistered securities. Providing a forum to all individuals harmed by this  
6 behavior is appropriate.

7 As Respondent has already demonstrated, competent Arizona counsel is available to  
8 represent him and defending this action in Arizona will not create a hardship or undue burden on  
9 him. For the reasons enumerated, we ask that Respondent's Motion be denied and for a finding of  
10 personal jurisdiction within Arizona over the Respondent.

11 RESPECTFULLY submitted this 14 day of June, 2000.

12  
13   
14 Kathryn E. McCormick  
15 Counsel  
16 Arizona Corporation Commission

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1 ORIGINAL AND TEN (10) COPIES  
2 of the foregoing filed this 14 day  
3 of June, 2000 with:

4 Docket Control  
5 Arizona Corporation Commission  
6 1200 West Washington  
7 Phoenix, Arizona 85007

8 COPY of the foregoing mailed this  
9 14 day of June, 2000 to:

10 John C. Kirkland  
11 Brown Raysman Millstein Felder & Steiner LLP  
12 1880 Century Park East, Suite 711  
13 Los Angeles, California 90067

14 John N. Iurino  
15 Lewis and Roca LLP  
16 One South Church Avenue, Suite 700  
17 Tucson, Arizona 85701-1611

18 *Kathryn L. McCormick*  
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2425 South Prudence Rd. Tucson,  
Arizona 85710  
Phone: (520) 721-9497  
Fax: (520) 290-2698

## EXHIBIT D

**Mr. Jonas Saunders**

2502 East Winchester Vista  
Tucson AZ 85713

Date: 2/14/97

Total amount of shares: 7,450 shares

Stock issuance information: Presented as gift in gratitude for ongoing complimentary consulting services.

**Mr. Thuc Nguyen**

Safari Media, Inc.  
2425 South Prudence  
Tucson AZ 85710

Date: 11/1/96

Total amount of shares: 450,000 shares

Stock issuance information: Gift of stock for business assistance in CBT related marketing, collateral for lender

**Terra Christa Communications**

11888 North Oracle Road  
Oro Valley AZ 85737

Date: 12/20/96

Total amount of shares: 5075

Stock issuance information: Charitable donation for non profit organization

**Herbert and Jane Allen**

8411 East Baker Street  
Tucson AZ 85710

Date: 12/20/96

Total amount of shares: 100,000

Stock issuance information: Shares presented to primary officers of Jaemar International Inc in gratitude for loans previously issued.

**Maryanne Chisholm**

Safari Media, Inc.  
2425 South Prudence  
Tucson AZ 85710

Date: 4/23/96

Total amount of shares: 2,500,000 shares

Stock issuance information: Co-Founder, President, Lender.

**Mark Van Zorn & ImageX Design**

Safari Media, Inc.  
2425 South Prudence  
Tucson AZ 85710\*

(\* Currently relocating offices in Florida, will update address immediately upon notification.)

Date: 4/23/96

<http://www.safari-media.com>

<http://www.image-x.com>

ACC00182

EXHIBIT  
A

**Total amount of shares:** 2,500,000 shares  
**Stock issuance information:** Co-Founder, President, Lender.

**Mr. Arthur Langer**  
3126 South Rifle Street  
Aurora CO 80013  
**Date:** 4/23/96

**Total amount of shares:** 280,000 shares  
**Stock issuance information:** Gift of stock for business assistance in CBT related marketing, Gift of stock for previous loans issued to former parent corporation, Jaemar International Inc, Collateral for existing loan.

**Paul Hinker**  
5324 Waxwing Lane  
Rapid City SD 57702  
**Date:** 4/23/96

**Total amount of shares:** 35,250  
**Stock issuance information:** Gift of stock for previous loans issued to former parent corporation, Jaemar International Inc, Collateral for existing loan.

**Alicia Garrett**  
Safari Media, Inc.  
2425 South Prudence  
Tucson AZ 85710  
**Date:** 12/20/96

**Total amount of shares:** 102  
**Stock issuance information:** Gift of stock in exchange for complimentary administrative assistance.

**Free Methodist Church**  
10470 West 8th Place  
Lakewood CO 80215  
**Date:** 12/20/96

**Total amount of shares:** 800  
**Stock issuance information:** Charitable donation for non-profit organization

**Andy Hughes**  
466 W. Moffat Loop  
Oviedo, FL 32765  
**Date:** 12/20/96

**Total amount of shares:** 500  
**Stock issuance information:** Christmas gift, in exchange for multi-media services.

**Mrs. Mardi Lutz**  
8696 N. Auriga Way  
Tucson AZ 85741  
**Date:** 12/20/96

**Total amount of shares:** 500  
**Stock issuance information:** Christmas gift.

**Beth Newsome**  
1920 1/2 N Kenmore Avenue  
Los Angeles CA 90027  
**Date:** 7/15/97

**Total amount of shares:** 1000  
**Stock issuance information:** Gift in exchange for research services.

**John Wilder**

7008 Laurel Oak Way  
Fair Oaks CA 95628

Date: 4/23/96

Total amount of shares: 35,250

Stock issuance information: Gift of stock for previous loans issued to former parent corporation, Jaemar International Inc, Collateral for existing loan.

Larry Valtinson

2501 13th Terrace NW  
New Brighton MN 55112

Date: 4/23/96

Total amount of shares: 380,000 shares

Stock issuance information: Gift of stock for previous loans issued to former parent corporation, Jaemar International Inc, Collateral for existing loan.

Richard O'Connell

Maurice O'Connell

129 Independence Trail  
Egg Harbor Township NJ 08234

Date: 4/23/96

Total amount of shares: 10,000 shares

Stock issuance information: Gift of stock for previous loans issued to former parent corporation, Jaemar International Inc, Collateral for existing loan.



2425 South Prudence Rd. Tucson, Arizona 85710  
Phone: (520) 721-9497  
Fax: (520) 290-2698

## EXHIBIT C

Per request from document subpoena, Item #7

" The names, addresses and phone numbers for all transfer agents, market makers, registrars, and any other persons or entities that have offered or sold securities for or on behalf of the corporation."

- Safari Media, Inc. Corporate President - Re: Offering.

Mrs. Maryanne Chisholm  
Safari Media, Inc.  
2425 South Prudence  
Tucson AZ 85710  
Date: 4/23/96

- Thuc Nguyen. - Re: Description And Explanation Of Brief Efforts Of Offering Now Rectified.

Mr. Thuc Nguyen  
Safari Media, Inc.  
2425 South Prudence  
Tucson AZ 85710  
Date: 11/1/96

*Excerpt as written in corporate response to SEC in package received 10/10/97.  
See section marked "Government inquiries"*

"There is no documentation we are able to supply, that is not currently in the states possession as all of this information exists on-line. I understand Mr. Nguyen placed a brief advertisement on-line, that was not geared for Washington in particular, that was placed spontaneously to an investment newsgroup. This ad was nonspecific, and did not mention Safari's name. Mr. Nguyen acted on behalf of Safari without my awareness, and although somewhat misguided did so with the best of intentions. No intentional misleading information was provided, the quotes you listed in your letter were so riddled with alterations and blatant fallacies, that very little remains of what Mr. Nguyen recalls discussing.

I am aware several misunderstandings arose from correspondences with Mr. Nguyen, however do not have copies of these correspondences for review. Again, these brief conversations greatly differed from the context of what was contained in the Cease and Desist order received by Safari in early August, and did not result in any kind of sale. I can only begin to apologize for the unintentional errors made by Mr. Nguyen on behalf of Safari. Any conversations or ads placed were done with honest good intentions, and for that I have written him and advised him of the reasons as to why this can not be done. I do believe that it is possible Mr. Nguyen inadvertently misinformed Mr. Watson, with regards to potential statistical references. I was notified that upon my return (through correspondences with Mr. Nguyen) that he had subsequently written and advised Mr. Watson of his miscommunication. Again, this correspondence is not mentioned in the Cease and Desist order. By this time I would have suggested that Mr. Nguyen save any further correspondences, however no further communication continued from that point. It is my understanding that most if not all of these communications took place over the span of one and a half days, and did not constitute the depth or intensity of the supposed correspondences possessed by the State. Additionally, Mr. Nguyen is neither American nor hearing, and does not speak or write in the manner that was expressed in the quotations mentioned in the Cease and Desist order, so it is pointless to argue semantics from this point. Much of what was presented to the State as references made by Safari Media have been reviewed by the very people who allegedly wrote them, for the first time."

<http://www.safari-media.com>

<http://www.image-x.com>

ACC00180

EXHIBIT  
B



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## **SAFARI MEDIA NEWSLETTER**

May 12, 1998

---

### **Greetings to our esteemed shareholders!**

April brought increased CBT revenues and traffic, while our staff diligently continued with report submissions and corporate summaries, as Safari continued its preparation for the Spinoff Public Offering through our corporate sponsor.

The Safari formal financial audit has been scheduled to commence June 8th, with an projected completion date of the 15th. Safari officers will complete remaining due diligence at that time, while meeting with the sponsors attorneys to sign all applicable contracts and conduct a public release the formal spinoff announcement, along with corporate information, trade history and spinoff projections.

All aspects of this process are expected to be completed prior to the end of June.

#### ***An important announcement to remember:***

As you review the following information, Please note the information contained in this report is as extensive as is permissible by law for release. All information will be continue to be updated online for public review as it becomes available, and has met approval within the terms and conditions of Federal SEC restrictions pertaining to insider trading laws. Accordingly, formal names will not be available for public review until the completion of financial audit, and or the express written consent of the Corporate Sponsors and affiliated attorneys. Safari officers are expressly forbidden to offer securities or information to any individuals not employed by the corporation that pertain to the merits or benefits of the corporate sponsor.

---

**\_\_\_ New site improvements and features coming to Safari and ImageX!** Imagex and our design staff at Safari Media have completed the recent upgrades to our graphics equipment and are now busy at work compiling the newest multimedia movies, and graphic presentations online.

We are pleased to welcome the award winning composer Markus Schulz, of Plastik Records, and the Internationally acclaimed Hot Mix Network, to our staff and board

of directors. Markus is near completion of our sound enhancements, providing us with originally scored accompaniment for the shock wave movies that are currently online, as well as the new animations that are currently in production now.

---

**\_\_\_ ~ Online Education - Answering your questions**

**This issue: What is a Stock Support program, and why does it last for 5 years?**

The Underwriter for the program Safari is participating within has written extensively on this subject.

It is the foundation for the success of our stock values using this program, how we will ensure that our share price is at least \$20 at the time we conclude the final stage of the stock support program and public spinoff.

That \$20 share price results in over \$92 million to the company insiders, which of course would then include you as active shareholders.

We shared the questions of some of our shareholders with the underwriter, emphasizing on an answer detailing why a stock support program was important in the spinoff process, and why the duration of time was set for 5 years. A summary of their discussion with us in this matter follows.

Private companies go public to in order to expand their business. Being a public company makes it easier to access money; the lifeblood of business. As a public company we essentially convert our equity to cash. It is easier for a public company to borrow money if that is a course of direction we wish to pursue during our acquisitions and expansion. We will secure and buy corporate assets with stock. Eventually, we will trade our public company based upon its share price and not its balance sheet.

These benefits depend upon our ability to maintain a strong share price. To ensure a strong share price, we must communicate concepts. Our corporate vision must in turn become the vision of our shareholders. We must effectively tell our story to the financial community. Better marketing, not better mousetraps, creates strong share prices.

Better marketing means educating the investment community about our company and our industry. It means developing personal relationships with our shareholders and market makers. It also means being honest about our company and leveling with our supporters. These critical steps make it possible to expand the demand for our stock beyond the limits of North America.

We need a strong share price to buy assets without diluting our issued stock to the point where it makes it impossible to keep a strong share price.

If our share price bounces down, we create selling barriers that when we attempt to move it back up, the present shareholders may inadvertently dump their stock into our efforts. Unstable share prices attract short sellers. Unstable share prices attract regulators. Strong share prices are essential to get our company listed on stock exchanges here and elsewhere. (The underwriters are preparing to put us on NASDAQ, AIM [London] and EASDAQ [Western Europe]) Strong share prices make bankers happy as they consider lending our corporation money.

The stock support program has a duration of 5 years for this reason, the sponsor has first hand experience in attempting stock support programs of shorter duration, which resulted in lower trade, and fewer acquisitions and an overall poor return. The 5 year program has proved to be continuously successful, especially when partnered with the exchange option for sponsors stock for those shareholders that wish to sell prior to the conclusion of the 5 year lock up. To reiterate, no shareholder is obligated to participate in the 5 year lock up provision, however many benefits will be awarded to those shareholders that elect to remain over that period with Safari. These benefits will be greatly detailed in June as we present our announcement of the sponsoring corporation. These benefits will feature enticements including regular cash dividend disbursement, increased holdings with the sponsors stock, and a considerable gain on your return at the conclusion of the lock up provisions term.

The list is endless. There is no advantage to having a Penny Stock. There are in fact loads of disadvantages.

The Underwriter's story is clear. We must all support our stock price. In the case of the sponsor, they provide a powerful five year external stock support program to bolster and extend the value of our insider program. Combined, the two programs create a strong marketing effort for our stock in the US, the UK and Europe.

We have been urged to remember that selling the concept of owning Safari Media stock is just as critical as selling the concept of our products and services. The customer list may be different, but both represent a powerful profit potential for our shareholders and our corporation.

**Note: No shareholder will be unwillingly forced into a lock-up provision!**

\_\_\_ ~ **CBT Revenues continue to climb - Top seller, Corel Quattro Pro 7 Tutorial** The CBT center continues to receive approximately 25,000 hits per week, a more than respectable ratio for a relatively new forum!

The top seller in April was our Corel Quattro pro 7 Tutorial, (Professional Package). The corporate financials follow in this report, detailing the steady growth in CBT related revenues and projections.

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\_\_\_ ~ **Safari Media Newsflash**

**Safari-media.com registers record number of hits as of May 1st, 1998 with 4 million visitors to date!**

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\_\_\_ ← **The Safari Media bi-monthly financial update *The Safari Media Financials***

Safari revenues leapt upward into the second quarter, continuing the trend of steady acquisition of barter and asset growth.

Stockholders Equity remains strong along with Long Term Investments at a relatively unchanged sum from the last financial report. This report depicts several itemized increases in overall asset and revenue values, as well as an improvement in the liabilities portion of our financials.

The May Safari Financial Summary now follows for shareholder review:

---

*All Amounts Have Been Averaged To The Nearest Dollar.  
All Items Listed Below Are Subject To Change Without Notice,  
After Formal Submission And/Or Audit.*

Safari Media, Inc.  
Addendum to Annual Report  
Volume 3

## CONSOLIDATED STATEMENT OF OPERATIONS

---

*Financials Valid Through April 30, 1998*

---

## Revenues

Recurring Contract  
Revenues  
\$1,071,152

Small & Single  
Order Contracts  
\$272,403

CBT & Joint Venture  
Related Revenues  
\$611,414

Service Revenues  
\$73,658

**Total Revenues:**  
\$2,028,627

*(Up +\$300,257 from last statement)*

---

## Investments

Asset Gain From Split  
With Jaemar International, Inc.  
\$592,430

Short Term Investments,  
Asset Gain/(Loss)  
\$862,091

**Total Investment Income:**  
\$1,454,521  
*(Amount unchanged from last statement)*

---

## Cost Of Revenues

Cost Of Contract Revenues  
\$135,991

Cost Of *(Small And Single Order)*

Contract Revenues  
\$68,021

Cost Of Service Revenues  
\$18,200

Total Cost Of Revenues  
\$222,212  
*(Up +\$20,272 from last statement)*

---

Adjusted Total Investment & Revenues:  
\$3,260,936  
*(Up +\$78,045 from last statement)*

---

**Operating Expenses**

Research And Development  
\$792,132

General And Administrative  
\$515,002

Total Operating Expenses  
\$1,307,134  
*(Up +\$43,993 from last statement)*

---

Adjusted Operating *(Loss)/Gain:*  
\$1,953,802 +  
*(Represents a \$235,992 overall gain from  
the February/March financial statements)*

---

**CONSOLIDATED BALANCE SHEET**

---

**Assets**

Cash & Short Term  
Equivalents  
\$185,050

Short-term  
Investments

\$287,001

**Accounts Rcvbl:**

*W/ Allowance For Doubtful Acts*

\$1,609,300

**Other Current Assets**

\$511,325

**Sub-total Current Assets:**

\$2,592,676

*(Up +\$568,029 from last statement)*

---

**Net Property & Equipment**

**Property And Equipment**

\$348,993

**Long Term**

**Investments, Deposits & Other Assets**

\$3,907,359

**Sub-total Net Property And Equipment**

\$4,256,352

*(Up +\$40,907 from last statement)*

---

**Adjusted Total Assets:**

\$6,849,028

*(up +\$608,963 from last statement)*

---

**Liabilities**

**Accounts Payable**

\$530,114

**Accrued Compensation**

\$202,338

**Other Accrued Liabilities**

\$211,097

**Deferred Revenues**

\$1,897,083

**Long Term Obligations/Installment Notes**

\$1,063,005

**Total Current Liabilities:**

\$3,903,637

*(\$815,916 actual gain represented within the above from deferred revenues. These figures accordingly depict a significant decrease in long term liabilities and debt.)*

---

**Stockholders Equity**

**Common Stock:**

*(3,000,000 Remaining Authorized Shares)*

\$36

**Additional**

**Paid-in Capital:**

*(Incl. Barter And Venture Capital Income and/or Equity Conversion)*

\$2,945,355

**Total Stockholders Equity**

\$2,945,391

*(Up +\$55,175 from last statement)*

---

**Adjusted Total Liabilities:**

\$6,849,028

*(Balance sheet total)*

---

**General Notes and Announcements:**

< Safari Media is pleased to welcome Ms. Susan ("Sue") Cash to our administrative offices in Tucson, Arizona. Sue joins our Customer Service department and will be helping reduce the workload during our filing processes, as well as assist us in the implementation of our new client and shareholder databases.

If you wish to contact Sue in Customer Service you may reach her at :  
***sue@safari-media.com***



< In April Safari donated to the Tucson Police Departments "DARE" program, for the education of our children in a drug free environment. The program focuses on teens in the community, and promotes alternatives to drugs, violence and crime.

< Please note, Maryanne Chisholm and Mark Van Zorn will be out of town and unavailable May 18th through the 27th, concluding preparation for the June 8th formal audit.

< A hard copy of this report will be sent via US Post the week of May 15th, please notify our staff if you have not received a hard copy of this report by the 27th.

< We received confirmed reports that the toll free service we were utilizing was routing callers to the wrong numbers, which occasionally resulted in unrelated messages from other companies. Despite our frequent requests to rectify this service, the provider was unable to resolve the routing problem. Accordingly we have cancelled this service, and will provide updates on our own toll free line at: 888-721-9497 until the new service is in place. You may bypass the update messages by simply pressing the pound key if you wish to leave a message.

### **Safari Media, Inc.**

Contact Information, please update your records

**WWW:**

<http://www.safari-media.com> <<http://www.safari-media.com/>>

<http://www.image-x.com> <<http://www.image-x.com/>>

*also Safari now owns the domain:*

<http://www.safarimedia.com> <<http://www.safarimedia.com/>>

**Main E-Mail:**

[safari@safari-media.com](mailto:safari@safari-media.com)

**Customer Service:**

[support@safari-media.com](mailto:support@safari-media.com)

**Maryanne Chisholm, President:**

[mare@safari-media.com](mailto:mare@safari-media.com)

**Mark Van Zorn, President - ImageX Design,**

**Vice-President - Safari Media**

[imagex@safari-media.com](mailto:imagex@safari-media.com)

**Thuc Nguyen, Executive Vice President,**

**CBT Marketing and Research:**

[thucn@safari-media.com](mailto:thucn@safari-media.com)

**Tamara Jones, Assistant to the President**

**Shareholder Relations:**

Update, May 12, 1998

Sat, Aug 7, 1999 12:31 PM

tamara@safari-media.com

**Sue Cash, Customer Service:**

sue@safari-media.com

**For questions comments on the Safari web site:**

Webmaster: webmaster@safari-media.com

**Mail:**

2425 S Prudence Rd

Tucson, Arizona 85710

**Phone/Fax:**

Toll Free Phone: 888-721-9497

Toll Free Fax: 888-467-1871

**From All Of Us At Safari Media,  
We Thank You For Your Continued Support!**

.....  
~~~~~  
Safari Media, Inc. Online Newsletter  
The Safari Post  
; news@safari-media.com

<http://www.safari-media.com/post.html>

sp; In affiliation with:  
ImageX Presence Providers  
<http://www.image-x.com> <<http://www.image-x.com/>>

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BEFORE THE ARIZONA CORPORATION COMMISSION  
SECURITIES DIVISION

In the matter of the investigation ) DOCKET NO. S-3242-I  
of Safari Media, Inc. involving )  
possible violations of the )  
Securities Act and/or Investment )  
Management Act of Arizona. )

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EXAMINATION UNDER OATH  
OF MARYANNE CHISHOLM

VOLUME I  
(Pages 1 through 160)

Tucson, Arizona  
July 10, 1998

ARIZONA REPORTING SERVICE, INC.  
Court Reporting  
Suite Three  
2627 North Third Street  
Phoenix, Arizona 85004-1103

By: MICHELE E. BALMER, RPR

Prepared for:

ACC

ORIGINAL

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| <u>WITNESS</u>                       | <u>PAGE</u> |
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| <b>MARYANNE CHISHOLM</b>             |             |
| Examination by Ms. McCormick         | 5           |
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| <u>NO.</u> | <u>DESCRIPTION</u>                                                                                                          | <u>MARKED</u> | <u>ID</u> |
|------------|-----------------------------------------------------------------------------------------------------------------------------|---------------|-----------|
| 1          | Letter from the ACC to Safari Media, Inc., dated 10/3/97                                                                    | 5             | 16        |
| 2          | Letter from the ACC to Maryanne Chisholm, dated 6/30/98                                                                     | 5             | 17        |
| 3          | Certificate of Incorporation of Safari Media, Inc.                                                                          | 5             | 38        |
| 4          | Response to ACC, Part 1 from Safari Media, Inc., dated 10/9/97                                                              | 5             | 44        |
| 5          | Certificate of Disclosure for Jaemar International, Inc., dated 12/9/93                                                     | 5             | 62        |
| 6          | Business Corporation Annual Report & Certificate of Disclosure for Jaemar International, Inc., Year Ending 12/31/94         | 5             | 66        |
| 7          | Business Corporation Annual Report & Certificate of Disclosure Domestic for Jaemar International Inc., Year Ending 12/31/95 | 5             | 71        |
| 8          | Business Corporation Annual Report & Certificate of Disclosure Domestic for Jaemar International Inc., Year Ending 12/31/96 | 5             | 80        |

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| <u>NO.</u> | <u>DESCRIPTION</u>                                                       | <u>MARKED</u> | <u>ID</u> |
|------------|--------------------------------------------------------------------------|---------------|-----------|
| 9          | Certificate of Disclosure for Jaemar International, Inc., dated 12/15/97 | 5             | 86        |
| 10         | Response to ACC, Part 2 from Safari Media, Inc., dated 10/13/97          | 5             | 100       |
| 11         | Letter from Maryanne Chisholm to the ACC, Brian Schulman, dated 2/4/98   | 5             | 134       |
| 12         | Notebook                                                                 | 18            | 18        |

1 BE IT REMEMBERED that the above-entitled and  
2 numbered matter came on regularly to be heard before the  
3 Securities Division of the Arizona Corporation  
4 Commission, 400 West Congress, Tucson, Arizona,  
5 commencing at 1:35 p.m. on the 10th day of July, 1998.

6

7 **APPEARANCES:**

8

KATHRYN E. McCORMICK, Attorney, Securities  
Division, on behalf of the Arizona Corporation  
Commission;

9

10

MICHAEL A. SMEDINGHOFF, Senior Investigator,  
Securities Division, on behalf of the Arizona  
Corporation Commission;

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MICHELE E. BALMER  
Court Reporter

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1 promissory notes, all of those things were included in  
2 the October disclosure to the best of my knowledge.

3 Q. What about any copies of stock certificates that  
4 were sent to shareholders or investors?

5 A. That was one of the things that we lost.  
6 However, I did include a copy of our blank certificate if  
7 memory serves me correctly.

8 Q. Yes, you did.

9 A. Along with a list of people who held those  
10 certificates and how many shares they held.

11 Q. Okay.

12 A. And, again, that's to the best of my ability to  
13 remember, but I'm pretty sure that's correct.

14 Q. Number 7 was the names, addresses and phone  
15 numbers for all transfer agents, market makers,  
16 registrars, and any other persons or entities that have  
17 offered or sold securities for or on behalf of the  
18 corporation.

19 And on 10/13/97, I believe it was in a letter,  
20 you stated it was just you -- and I don't know how to  
21 pronounce it.

22 A. Thuc Nguyen.

23 Q. Thuc Nguyen?

24 A. Uh-huh.

25 Q. That you were the only two people that would

1 have offered any securities on behalf of Safari.

2 A. And as I explained to Mr. Schulman, Thuc was  
3 operating, at least at one point, under a gross  
4 misunderstanding of what his capacity was in the company.

5 Q. I believe that was in the letter too that you  
6 wrote?

7 A. Right. And I just want to clarify that I  
8 strongly urged him to modify the manner in which he  
9 handled his transactions. Thuc is an investment manager  
10 for lending organizations, and what he was doing was  
11 terribly confusing to people and to us, and we tried to  
12 straighten that out. And I did write and address that  
13 issue with Mr. Schulman.

14 Q. Okay. And what is his current status with  
15 Safari International?

16 A. He handles our computer basic training marketing  
17 and selling. He also handles development of Internet  
18 software development for CBT marketing and training.

19 Q. For CBT?

20 A. CBT is computer basic training.

21 Q. Is that for Safari?

22 A. Yes, it is.

23 Q. Okay.

24 A. And very quickly, we have samples of our retail  
25 business and CBT in the booklets that I've provided to



1 A. I believe it was approximately in April of '96.

2 Q. Okay.

3 A. It's possible that it was, in fact, in December.

4 Q. Okay.

5 A. You know, these do have dates on them. They all  
6 have dates on them.

7 Q. Okay. So this one, this date here, indicates  
8 that they received the stock on 12/20?

9 A. I'm more willing to believe this date than I am  
10 my memory. I think that that's far more likely to be  
11 accurate.

12 Q. Okay. And that's what that date indicates?

13 A. Yes. And here, I'm so glad, the reason I  
14 included Thuc Nguyen in the list I just gave you is  
15 because he did start receiving shares in November of '96.  
16 But he received some more shares for bringing us lenders  
17 to help us when we required venture capital funding, and  
18 also he received a gift of shares as he helped us develop  
19 the CBT Center and prepare it for retail marketing and  
20 computer basic training products.

21 Q. Was that after this period of time that he  
22 received those shares or is that what comprises the  
23 450,000?

24 A. That's what comprises that number.

25 Q. What work -- so all of those things you listed

1 is the work that was done in his receiving these shares?

2 A. Yes.

3 Q. Did he ever purchase shares on his own?

4 A. He gave us a loan which we paid off and he had  
5 collateralized stock against that loan, but that loan has  
6 been paid off.

7 Q. So that stock then was taken back from him?

8 A. Was taken back to the company.

9 Q. How much did he loan the company?

10 A. I believe it was approximately \$10,000.

11 Q. And in loaning the company the \$10,00, what kind  
12 of documentation went back and forth regarding the money?

13 A. We had an agreement that we had to pay it back  
14 within a set amount of time. I believe it was  
15 approximately six months. It was very minimal interest.  
16 It was only about four percent. It was very reasonable  
17 comparatively, and we did pay that off in full, and that  
18 was completely resolved and closed.

19 Q. And how many shares of stock was given as  
20 collateral?

21 A. I believe at that time it was -- 10,000 shares  
22 was held as collateral against that loan.

23 Q. So those 10,000 shares are not included then in  
24 this 450,000?

25 A. No. They are not.

1 Q. Do you have copies of that paperwork regarding  
2 that loan agreement?

3 A. It is not in the book. I do believe we still  
4 have copies, and I'd be happy to provide that for you.  
5 To be honest, I completely overlooked that. I'm very  
6 sorry.

7 Q. That's all right. That's one of the reasons  
8 that we like to meet and do the EUO so that we can go  
9 over everything and see what else needs to be addressed.

10 A. May I request that you send me, at your  
11 convenience, a list of documents that I could help in  
12 providing you with if they exist?

13 Q. Yes. That's why I'm making a list. I'll put  
14 that in writing.

15 A. Thank you.

16 Q. Sure. How was it decided how many shares of  
17 stock he would receive for the amount of work done?

18 A. I believe that we based it on the equivalent of  
19 \$1 per share, and that we would give him 15 percent of  
20 whatever he ended up doing in hours and also revenue  
21 accounts whether they be future or present. So if he  
22 secured a revenue account that was going to start in say  
23 September of this year, and that revenue account was  
24 worth \$10,000, then he can either take that percentage of  
25 commission in stock or cash, whichever he preferred, and

1 that's the case right now.

2           There are things that he has coming up that are  
3 going to be due to him in commissions, and he has the  
4 elective choice to do it in cash or stock, whatever he  
5 prefers. And I'm pretty sure at this moment he's going  
6 to take cash because I think that he's going through some  
7 things health wise himself. I believe he's terminally  
8 ill and will need the cash from working.

9           Q. In the agreement is there a max number of shares  
10 that he can earn?

11           A. Yes. The maximum number of shares that he can  
12 earn is an additional 400,000 on top of what he has right  
13 now.

14           Q. Okay. And this agreement that you had with him  
15 regarding his ability to earn shares in the company, was  
16 that voted on by any officers or shareholders?

17           A. Mark Van Zorn, Mark Chisholm, and I voted on  
18 that and passed that in one of our minute meetings which  
19 we're going to be holding again. But I do have documents  
20 dating back to the original date of that agreement. I'm  
21 relatively certain that they were not stored only in  
22 data. In fact, I'm quite hopeful at this moment so I'll  
23 go and check.

24           Q. Okay. When did he become part of the company?

25           A. I believe it was 11/1 of '96.

1 Q. And what was his position? Does he have a  
2 title?

3 A. He has a title now as Executive Vice President  
4 of CBT Marketing and Research. His expertise is in  
5 computer basic training, and he's very adept at  
6 programming.

7 We placed him as an officer in charge of that  
8 capacity because he knew far more about technical  
9 programming than we did. But at this point in '96 he had  
10 no title. He was just an associate at that point.

11 Q. Okay. And after he was made an executive vice  
12 president, does he receive a salary?

13 A. He will start receiving a salary next month. We  
14 weren't in a position where we could give a salary until  
15 next month, and that's when we're starting -- as I  
16 mentioned in the beginning of this meeting -- to start  
17 generating the CBT related revenues, and things are  
18 starting to move online.

19 One thing I included in your book was extensive  
20 merchant banking paperwork which took us a long time to  
21 get in order so we could accept all credit cards, and so  
22 that they would process when the orders were shipped. It  
23 was quite a confusing process, and that affected our  
24 revenues up until this point.

25 Q. Now, did you -- I thought I read in something,

## Safari Media, Inc.

### Board of Directors

*Maryanne Chisholm*

*President*

*Mark Van Zorn*

*President – ImageX Design*

*Vice-President – Safari Media, Inc.*

*Thuc Nguyen*

*Executive Vice President, CBT Marketing and Research*

*Mark F. Chisholm*

*Secretary of the Corporation*

*Jane Allen*

*Treasurer*

*Dr. Shih-Jen- Liao, PH.D.*

*Director*

### *Other noteworthy positions*

*Jonas Saunders*

*Chief Computer and Systems Consultant, Programmer*

*Gloria E. Langer*

*Field Representative, CBT Marketing & Promotions.*

*Alicia M. Garrett*

*Shareholder Relations and Personal Assistant to Ms. Chisholm*

## MANAGEMENT

### Directors and Executive Officers

The Company's Primary Directors and Executive Officers are detailed below:

Maryanne Chisholm, President, Co-CEO & Director, has been in the sales and management field for over 17 years, and the computer and Internet industry for over 6 years. Her previous experience in commercial production earned awards and recognition in the advertising industry. She has assisted with the startup of over 3 separate businesses, and has personally raised over \$6 million in startup capital and revenues throughout her career. She will be responsible for day-to-day operations and for general administrative management. Ms. Chisholm will also coordinate investor relations duties and marketing responsibilities of the Company's products and services.

Mark Van Zorn, Co-CEO & Director, is the award winning founder of ImageX Design whose work has been reviewed by several national publications, and has represented many internationally renowned clients

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## Part III.

### Safari and CBT

- Introduction to CBT
- Letter from Executive Vice President of CBT Research and Marketing
  - Safari CBT Overview and Informal Summary
    - How the CBT industry met Safari
  - Safari Opens CBT Distribution Center
    - Safari/CBT Press Release:
      - What is CBT?

# SAFARI & CBT

Safari is fortunate to have the talents of two outstanding specialists in the CBT Industry working at the helm of development and marketing.

Our CBT report is introduced now by our first specialist, the Safari Media Executive Vice President of CBT Research and Marketing, Mr. Thuc Nguyen.

Letter from Thuc Nguyen

Greetings from the Safari CBT Center!

My name is Thuc Nguyen.

I started my relationship with Safari Media in November 1996 as an outside shareholder. In early 1997 Safari invited me to work with their administrators as a field representative for Online Textbook and CBT (Computer Based Training) Development.

Safari Media began to dedicate promotional time and administration to the new CBT Center test marketing program in February, 1997. The Safari management relied on my extensive CBT, online education, and marketing background.

Within several months, I was promoted to a position of Executive Vice President of CBT Research and Marketing.

I have spent the majority of my time in this position researching and negotiating with the nations leading CBT industries. As a result of these negotiations, I am pleased to report that Safari management has signed extended contracts with CBT Systems, Inc. and FirstClass System to sell their top CBT courseware.

I am and will continue to seek for the outstanding CBT industries that offer the best courseware, in order to bring Safari together with these organizations, and continue to expand this exciting, revenue generating CBT project.

The Online CBT Center, a division of Safari Media, acts as a marketing firm for computer based training designed for information technology (IT) professionals and desktop end users. The Online CBT Center has offered over 150 titles in a wide range of topics. Our courses are designed to gain and maintain the interest of students by the extensive use of graphics and animation to illustrate and explain concepts, and by ensuring there is a high degree of interactivity with the learner. The course topics range from basic introductory desktop software programs to high level programming languages.



Taking a glance at  
What makes the Online CBT Center the right training choice --

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WE STAY CURRENT

Our advanced expertise in course design and implementation means we can easily update our training programs to match rapidly changing technologies. The result? Corporate employees from around the world are able to learn the current, practical skills they can put to work today.

WE HAVE OUR SIGHT SET ON THE FUTURE

It is Safari's primary concern to remain in tune with the companies shaping the technology of today and tomorrow. With the Online CBT Center, the corporate employee is assured training that's right in line with where technology is headed, not where it has been.

RESEARCH INDICATES HIGH GROWTH POTENTIAL

US News and World Report revealed in a recent issue dedicated to the worldwide IT training and education market, that projections for IT related revenues could potentially reach \$27.9 Billion in 2001.

According to a new report published by International Data Corporation (IDC), the worldwide IT training market will keep pace with growth in the overall IT market and will exceed it in 2001. IDC projects revenues in this market will increase at a compound annual growth rate (CAGR) of 11.2 percent, from \$16.4 billion in 1996 to \$27.9 billion in 2001. The report, entitled 1997 Worldwide and U.S. IT Training and Education Market and Trends, (IDC #B13754), is based on extensive surveys of a variety of different training providers.

The Worldwide Internet Training (IT) marketing at \$16.4 billion, of which the United States makes up 43 percent.

I have been working on and forming a relationship with a new Educational Venture *(to be announced in early 1998)* that is currently developing and producing the University curriculums that will offer 15 degree programs in Information Technology field from Associate to Masters level designed for the IT professionals and desktop end users.

The university venture is an independent entity working in strategic partnership with

Safari.

Safari elected to do a joint venture with this university plan in order to benefit from the extensive experience, education and talent the founders of the program collectively possessed.

Safari offers this venture media exposure, and the opportunity to develop a recognizable image. Safari also brings numerous existing CBT related contacts, which will surely be of mutual benefit to all parties involved.

The University Venture has indicated that among the expectations from this joint project would be to internationally promote Safari Media and the overall CBT Center to corporations online, in order to help educate their employees. The collective teaming of this venture with the existing Safari CBT Center will allow a broader corporate oriented audience to be connected virtually to the millions of prospective and existing students that require CBT related training.

The university venture is expected to start in operation in January, 1998.

I believe the future of the CBT industry is limitless, and the benefits too significant to summarize to a simple few paragraphs. In the months to come, the Safari CBT Center will expand, online ordering will simplify, clients will increase, and revenues will be announced. New corporations will join our product lines, and new ventures will create unforeseen revenue streams.

The possibilities are endless, I am looking forward to a profitable and fulfilling year as Safari Media expands the CBT center and concludes its public filings!

Thuc Nguyen  
Executive Vice President, CBT Research and Marketing

---

>>From Thuc Nguyen

>

>For a year, Deaf people have been asking me to present them a Stock  
>and Option Strategies Workshop. I must admit that I have been avoiding the  
>arrangement and delaying it a few times in order to keep my low profile. I  
>finally found time to arrange the first-time ever national investment  
>workshop especially for Deaf in U.S. history. Because they are my friends  
>and hungry for the knowledge of the stock market, I am doing it and we have  
>same culture. This unbiased and non-marketing workshop is probably once in  
>your lifetime opportunity. I will not teach again in the future.

>

>=====

>

>HERE'S YOUR OPPORTUNITY TO START MAKING  
>MONEY IN THE STOCK MARKET!

>

>"Anyone Can Learn How To Make Unbelievable Returns in  
>the Stock Market Trading Part Time at Home" Workshop

>

>ESPECIALLY FOR DEAF INVESTORS

>

>Hosted and Taught in ASL by Thuc Nguyen, a professional trader

>

>When: June 19 and 20, 1998

>Time: June 19, Friday 8:30 am to 5:00 pm

>June 20, Saturday 8:30 a.m to 5:00 p.m.

>Where: Olympia Park Hotel & Conference Center

>1895 Sidewinder Drive, Park City, UT

>Hotel Reservation: 1-800-234-9003 Group Rate ID# Thuc Nguyen

>Fee: \$20 per person or \$30 a couple

>Deadline: Until Seating is filling up.

>

>Monies will proceed to two compliment breakfasts and rental conference  
>space. Thuc does not make a penny profit from the workshop, even though he  
>will pick up the expense after the fees have been used up. Normally the  
>investment workshop offered by another investment marketing company costs  
>you up to \$4,995.

>

>Thuc, Deaf himself, became a self-made millionaire within 10th month of his  
>original \$25,000 loan investment through the stock and options investments  
on his

>own. He is a self-taught stock/options trader. He has been voluntarily  
>advising his Deaf friends on the stock/options investment issues. Many of  
his

>friends have made huge profits on their stock/option investments. In fact,  
a

>very few of them become self-made millionaires not very long ago.

>

>Thuc is a founder and president of Synergy Development Corporation with  
>a mission of bringing people and computer together...in the areas of  
>Information Technology Education Training, Solutions and Services like  
>Multimedia Instructional Development.

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>  
>As an Information Technology fund manager, Thuc manages Thuc Nguyen &  
>Associates, L.L.C, a venture capital management firm that invests in  
>entrepreneurial information technology companies. Special emphasis is  
placed  
>on software, internet, communications and related enterprises that can  
>become leaders in select technology-driven markets principally serving the  
>Fortune 1000 and their global equivalents.  
>  
>He continues his role as Executive Vice President for CBT Research and  
>Marketing, member of Investor Relations committee, Executive committee  
>and Board of Directors with Safari Media, Inc.  
>  
>Due to his limited schedule, he has declined a few executive position and  
>board seat offers from the information technology companies in the recent  
>past.  
>  
>PEOPLE JUST LIKE YOU ARE MAKING A FORTUNE  
>IN THE STOCK.....HERE'S YOUR OPPORTUNITY.  
>  
>It's time to stop being a spectator and start being a player in the stock  
>market. Attend the Stock and Option Strategies Workshop and learn how to  
>start making substantial returns with minimal risk. At this two day  
>proactive event, you'll learn the seldom shared trading and risk management  
>strategies used by professional "pit" traders to make money day in and day  
>out. Thuc will show you how to build a home-based business trading stocks  
>and options that will produce the kind of income you've always wanted.  
Whether  
>you are new to the stock market or an experienced investor, you will  
benefit  
>by attending this program. Why settle for ten to twenty percent returns per  
>year when you can learn how to start getting twenty percent or more in a  
>month - with limited risk! You can invest directly in America's top  
companies...  
>Build a secure, diversified portfolio of high-quality stocks...And avoid  
sales  
>fees, commissions and brokers!  
>  
>WHO SAID WEALTH IS RESERVED FOR THE RICH?  
>  
>You don't need a lot of cash to profit in the stock market. Some of the  
best  
>traders in the world started with very little money and have amassed  
>fortunes using the very same investment and risk management strategies you  
>will learn at the workshop.  
>  
>THE PERFECT HOME-BASED BUSINESS  
>  
>Trading in the stock market is the perfect home-based business: no  
>employees, rent, inventory or selling required. You can make trades from  
>anywhere - in town, out of town, even from your car. And, since some of the  
>strategies require only a few minutes of attention each day, it's the  
>perfect source of extra income for busy professionals, homemakers, business  
>owners, retirees, even students.  
>  
>LEARN FROM PROS  
>  
>Thuc will share his investment experience with you the stock and options  
>strategies he uses to make money often. These techniques are seldom shared  
>outside the floor of the exchanges. You will learn how to pick the right  
>stocks and select the best strategies that will maximize your profits while

>minimizing your risks. He will teach you how to properly execute your buy  
>and sell orders. Also, a few experienced investment participants will share  
>their experiences with you.

>

>STRATEGIES WILL BE TAUGHT BY THUC:

>

- >\* Risk Management
- >\* Tax Shelter
- >\* Call and Put Options
- >\* Mergers and Acquisitions
- >\* Spin-offs and IPO's
- >\* Stock Splits
- >\* DRPs
- >\* Straddles
- >\* LEAPS
- >\* PPM
- >\* DPO's
- >\* Volatility or Back Spreads
- >\* Hedging
- >\* And Much More!

>

>Attend and Learn How To:

>

- >\* Get 20% monthly return
- >\* Double your money every 3-6 months
- >\* Turn your trading into a cash flowing business
- >\* Make money in the market without owning stock
- >\* Profit in down and up markets with less risk
- >\* Utilize technical and fundamental analysis
- >\* Determine the best time to buy or sell
- >\* Pay wholesale prices for stocks and options
- >\* Buy publicly traded stocks at wholesale prices
- >\* Maximize profits while minimizing risks
- >\* Make the right stock picks
- >\* Protect your money during market reversals
- >\* Establish no lose, "free ride" positions
- >\* Trade like a professional trader
- >\* Know your maximum loss before making a trade.
- >\* Save thousands of dollars and hours by learning strategies.
- >\* Avoid sales fees and commissions

>

>Thuc's goal is for you to graduate with the knowledge, experience and  
>confidence to make informed trading decisions day after day. Attend and  
>learn how you can begin trading your way to riches.

>

>Notice: Thuc Nguyen is not a stock broker and does not sell securities. The  
>securities discussed or traded during the workshop are selected for  
>educational purposes only. Past performance is not indicative of future  
>results. Results cannot be guaranteed. The stock market is risky and not  
>suitable for everyone.

>

>\*\*\*\*\*

>

>"Make Sure Your Estate Goes to the People You Love! Instead of the IRS and  
>Probate Court...." Workshop

>

>Taught by Estate Planning Attorney Randall Holmgren, Law Firm of Holmgren &  
>Mitton, L.C.

>

>He is a member of the American Academy of Estate Planning Attorneys, a  
>national organization of attorneys dedicated to providing the highest

>quality of estate planning services.

>

>You've worked hard all your life to build up your assets...make sure they  
>pass on to your family -- not to probate attorneys and the government. If  
>you have assets worth more than \$100,000 -- or you own a home -- a "will"  
>just isn't enough anymore.

>

>Due to the same culture, feeling, and communication, the workshop is  
established

>especially for Deaf. No hearing allowed except they are married to their  
Deaf

>spouses or have Deaf girlfriend/boyfriend. And the interpreting service  
>will not be provided except a two-hour Estate Planning seminar. Sorry!

>

>Spread this flyer to your friends who WANT to learn more about the stock  
>market!

>

>SEATING IS LIMITED, So Email Now to Reserve Your Seats at  
>keithhiker@juno.com with cc: thucn@inconnect.com and Make All Payments  
>Payable to CDRCLE c/o Keith and Dixie Lauritzen, 11320 Windy Peak Ridge,  
>Sandy, Utah 84094

>

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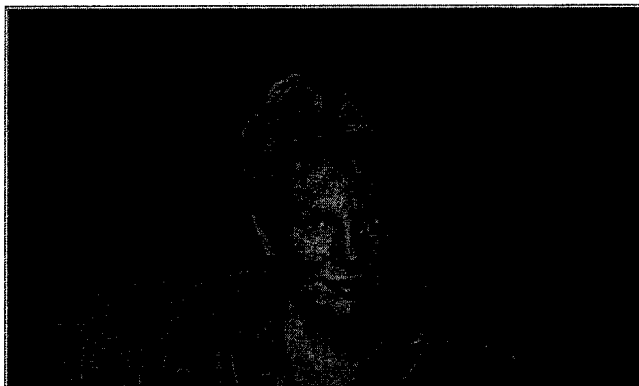
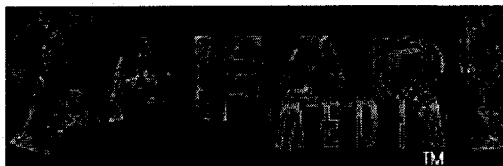
>All statements, instructions and expressions are the opinion of Thuc  
>Nguyen and are not meant to be a solicitation or recommendation to  
>buy, sell, or hold securities.

>

>Copyright, Thuc Nguyen 1998

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## Meet The Staff Of Safari Media

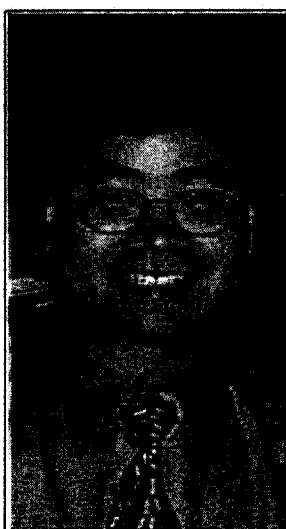


Maryanne Chisholm, President, Co-CEO & Director, has been in the sales and management field for over 16 years, and the computer and Internet industry for over 8 years. Her previous experience in commercial production earned awards and recognition in the advertising industry. She is responsible for day-to-day operations and for general administrative management. Ms. Chisholm also oversees investor relations duties and marketing responsibilities of the Company's products and services.

Mark Chisholm, Secretary & Director, has over a decade of experience in business management. Mr. Chisholm joins Safari Media on a more complete basis, in the capacity of database management, corporate records management, and operations supervision, while awaiting the forthcoming publishing of his thesis "A Study of the Technological Psyche", and the award of his Ph.D. in Psychology.



Mr. Thuc Nguyen, Executive Vice President of CBT Research and Marketing. Mr. Nguyen oversees all CBT related duties for Safari, including revenues, educational relationships, new CBT related products, and overall industry. Mr. Nguyen brings over a decade of experience in education and specifically the CBT related field. He is the strength behind his own premiering college venture, which is just now reaching fruition, and is shaping up to be an unparalleled success. His intent is to bring this venture as a boosting point to Safari's existing product lines.

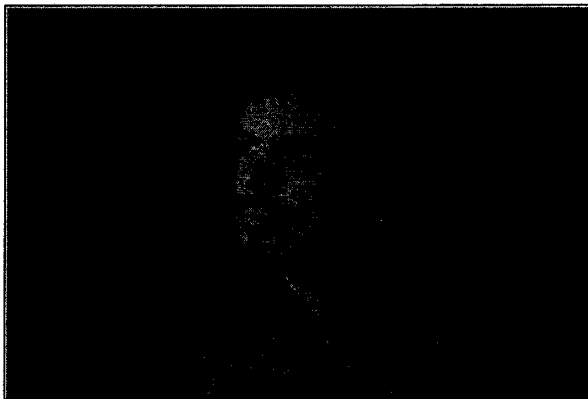


Tamara A Jones, Shareholder Relations and assistant to the



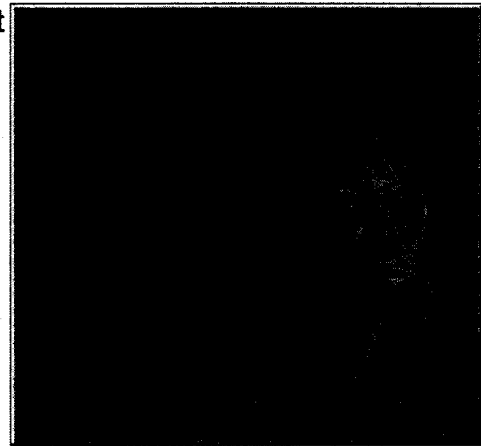
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President. Ms. Jones serves full time for Safari while pursuing her degree as a national merits scholar, and maintaining a 4.0 GPA. A faithful employee to Safari since inception, she has contributed to multiple improvements in office management and organization.



Markus Schulz, Director, additionally joins Safari as Multimedia Music Director. His decade plus of musical experience had gained several gold albums, as well as a number one Dance Hit on the Billboard charts. A member of ASCAP, Mr. Schulz currently works with Jacor's Hot Mix Radio Network, an international program with nearly 4 million subscribers worldwide. Mr Schulz will be the creating force behind Safari, bringing dimension to the animation, and the fullest of multimedia experiences to Safari Media customers and clientele.

Heather Schulz, Director, brings a decade of management and marketing experience with her to the Safari Board. Her expertise in Multimedia marketing and distribution will assist in the expansion of Safari Media into sound. Ms Schulz co-owns and operates the record label, Plastik Records, with her husband Markus. She also serves as President of the Desert West Record Pool, (a music promotion company) and sits on the board of the National Association of Pool Directors, the only industry recognized/supported directors group.



H. Arthur Langer, Director, Gloria E. Langer, Field Operations and Director. Gloria Langer has worked in the publishing industry for close to 20 years, and has edited with Fortune 500 publishing houses including Rodale Press and Simon & Schuster. Arthur and Gloria Langer are active shareholders in Safari Media, and openly participate on the board in creative aspects and marketing contributions.





Jonas Saunders, Webmaster. Mr. Saunders comes to Safari with a mile long list of credentials, including extensive background in HTML programming and UNIX environments. Since joining Safari he has created an extensive site map and site revamping, which marks only the beginning of his plans for the Safari web.



Susan Cash, Administrative Director. Sue came to Safari in mid 1998, and has worked her way up the ranks into the directorial position she currently holds. She maintains and oversees a majority of records in the shareholder database, and additionally manages and implements a series of other databases from clients to web site vendors and merchandising.



Mardi Allen-Lutz, Director of Marketing, Mardi joins safari's permanent staff after being awarded the prestigious "Employee of the Year" Award from ITT . She brings numerous benefits to her position, and has plans to quadruple revenues in the CBT and online sales divisions of Safari within the next 2 years.



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