

DENISE VOIGT CRAWFORD
SECURITIES COMMISSIONER

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DEPUTY SECURITIES COMMISSIONER

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Texas State Securities Board

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KENNETH W. ANDERSON, JR.
MEMBER

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MEMBER

BRYAN K. BROWN
MEMBER

SSB Docket No. 04-01

IN THE MATTER OF §
KNOWLEDGEBROADCASTING.COM, LLC §
D/B/A VIDYAH, INC. §

Order No. **ENF 04-CD0/FIN-1551**

TO: KnowledgeBroadcasting.com, LLC
d/b/a Vidyah, Inc.
1100 Glendon Avenue, 16th Floor
Los Angeles, California 90024

CEASE AND DESIST ORDER

Be it remembered that KnowledgeBroadcasting.com, LLC d/b/a Vidyah, Inc. ("Respondent"), by and through its President and Chief Executive Officer, William Mundell, appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and, without admitting or denying the Findings of Fact or Conclusions of Law, consented to the entry of this Order and the Findings of Fact and Conclusions of Law contained herein.

FINDINGS OF FACT

1. Respondent has waived (a) Respondent's right to notice and hearing in this matter; (b) Respondent's right to appear and present evidence in this matter; (c) Respondent's right to appeal this Order; and (d) all other procedural rights granted to Respondent by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2003) ("The Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. §2001.001 et seq. (Vernon Supp. 2003) (Administrative Procedure Act).
2. At all times relevant to this Order, Respondent has had its principal office located at 1100 Glendon Avenue, 16th Floor, Los Angeles, California 90024.
3. From on or about July of 2002, Respondent engaged in the sale of securities, in the

form of preferred units, to investors located in Texas. Offering materials, in the form of a Confidential Information Memorandum, were supplied to investors by Respondent.

4. Respondent has not been registered with the Securities Commissioner as a securities dealer, agent, investment adviser, or investment adviser representative at any time material hereto, and Respondent has not submitted a notice filing as an investment adviser or an investment adviser representative at any time material hereto.
5. The preferred units described herein have not been registered by qualification, notification or coordination, and no permit has been granted for their sale in the State of Texas.

CONCLUSIONS OF LAW

1. The preferred units are investment contracts which are "securities," as that term is defined by Section 4.A. of The Securities Act.
2. Respondent engaged in the offer for sale and sale of securities in Texas, as those terms are defined in Section 4.E. of The Securities Act.
3. Respondent acted as a dealer in securities as that term is defined in Section 4.C. of The Securities Act.
4. Respondent violated Section 12 of The Securities Act by offering for sale and selling the securities in Texas at a time when Respondent was not registered with the Securities Commissioner as a securities dealer, agent, investment adviser or investment adviser representative and when Respondent did not submit a notice filing as an investor adviser or an investment adviser representative.
5. Respondent violated Section 7 of The Securities Act by offering for sale and selling securities in Texas at a time when the securities were not registered by qualification, notification or coordination and no permit was granted for their sale in the State of Texas.
6. The foregoing violations constitute a basis for the issuance of a Cease and Desist Order pursuant to Section 23.A. of The Securities Act.

ORDER

1. It is therefore ORDERED that Respondent immediately CEASE AND DESIST from the offer and sale of securities in Texas until such securities are registered with the Securities Commissioner or an available exemption from registration is utilized.

2. It is further ORDERED that Respondent immediately CEASE AND DESIST from the offer and sale of securities in Texas until Respondent is registered with the Securities Commissioner or an available exemption from registration is utilized.
3. It is further ORDERED that Respondent is ASSESSED AN ADMINISTRATIVE FINE in the amount of Five Thousand Dollars (\$5,000.00). Payment shall be made by delivery of a check to the Securities Commissioner in the amount of Five Thousand Dollars (\$5,000.00), payable to the State Securities Board, contemporaneously with the delivery of this Order.

SIGNED AND ENTERED by the Securities Commissioner this 9th day of

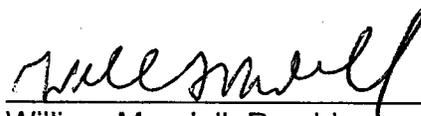
January, 2004.

Denise Voigt Crawford

DENISE VOIGT CRAWFORD
Securities Commissioner

RESPONDENT:

KnowledgeBroadcasting.com LLC d/b/a
Vidyah, Inc.



William Mundell, President and Chief
Executive Officer

Approved as to Form:



John R. Morgan
Director
Enforcement Division



Richard V. Sandler
Attorney for Respondent

ACKNOWLEDGMENT

On the 20 day of November, 2003, KnowledgeBroadcasting.com d/b/a Vidyah, Inc. ("Respondent"), by and through William Mundell, its President and Chief Executive Officer, personally appeared before me, executed the foregoing Order and acknowledged that:

1. William Mundell is duly authorized to enter into the foregoing Order on behalf of Respondent;
2. William Mundell had read the foregoing Order;
3. Respondent has been fully advised of its rights under the Texas Securities act and the Administrative Procedure Act;
4. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and,
5. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived its rights as set forth therein.

Barry S. Newman

Notary Public in and for **BARRY S. NEWMAN**
The State of **New York**
Notary Public State of New York
No. 01NE6070340
Qualified in Kings County
Commission Expires Feb. 25, 2006

[affix notary seal here]

My commission expires on: _____

STATE OF NEW YORK
SS:
COUNTY OF NEW YORK