

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
August 24, 2005

ADMINISTRATIVE PROCEEDING
File No. 3-12017

In the Matter of

**AXESS MEDIA GROUP,
LTD. AND MICHAEL DALE
GRANDON,**

Respondents.

**ORDER INSTITUTING CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTION 8A OF THE SECURITIES ACT
OF 1933**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (the “Securities Act”) against Axess Media Group, Ltd. (“Axess”) and Michael Dale Grandon (“Grandon”) (collectively, “Respondents”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. Axess Media Group, Ltd. is a Nevada corporation located in Las Vegas, Nevada. Axess’s purported business purpose is to serve as an Internet multi-media production, integration and distribution company. Axess’s securities are not registered with the Commission and the Company does not file periodic reports. However, Axess stock trades publicly and is quoted on the OTC Pink Sheets under the symbol “AXMG.”

2. Michael Dale Grandon, age 53, lives in Las Vegas, Nevada. He is the president and Chief Executive Officer (“CEO”) of Axess.

B. SUMMARY

3. This proceeding concerns the fraudulent offering of securities by Axess and its CEO, Michael Dale Grandon. From at least July 2004 through late August 2004, Axess, through Grandon, posted a wholly false Private Placement Memorandum (“PPM”) on its Internet website

offering 10,000,000 units of Axess stock for sale at \$0.10 per share. Among other things, the PPM described non-existent revenue and assets, and identified numerous legal and accounting professionals and company executives who, in reality, had no relationship with Axess.

4. Even after pulling the PPM from its website upon learning of an investigation by the Commission staff, Axess and Grandon provided the misleading PPM to a prospective venture partner and submitted misleading information in a Commission filing.

5. By publishing the materially false and misleading PPM on the Internet and filing the misleading form with the Commission, Axess and Grandon violated Sections 17(a)(1) and 17(a)(3) of the Securities Act.

C. FACTS

The Fraudulent Securities Offering

6. In or around July 2004, Axess, through Grandon, posted the PPM on its Internet website purporting to offer 10,000,000 units of Axess common stock for sale at \$0.10 per share. The offering period disclosed in the PPM was July 1 through October 31, 2004.

7. In or around July 2004, the Axess website also included an investor subscription agreement, which provided instructions for investors to wire transfer funds directly into Axess's brokerage account.

(a) False Financial Information

8. The PPM contained a "Pro Forma Consolidated Financial Summary" ("Financial Summary") reporting that Axess had net revenue of \$1,225,000 for the reporting period ended June 30, 2004. The Financial Summary also reported current assets of approximately \$1.4 million.

9. The Financial Summary was materially false and misleading, as nearly all the purported revenue and assets derived from a two-year old agreement on which Axess had no reasonable expectation of ever collecting. In May 2002, Axess had issued 4 million shares of stock to a company called EdaddyWarbucks, in return for which EdaddyWarbucks promised to find \$1 million in advertising for Axess. In the two years since entering into the agreement, EdaddyWarbucks did not find any advertisers for Axess; nor was the Axess network sufficiently developed to command a \$1 million advertising fee. Axess did not have any expectation of ever receiving payment. Moreover, Axess never actually performed services for the \$1 million in revenue. Thus, the representation concerning Axess's \$1 million in revenue was materially false and misleading.

10. The Financial Summary also included the supposed \$1 million advertising receivable as part of its \$1.4 million in current assets. For the same reasons as above, it was materially false and misleading for Axess to include this as a current asset in its financial statements.

11. The PPM directed investors to Axess's "Pro Forma 10 SB Registration Statement and Audited Financial Statements as available and filed at the Commission's website and EDGAR." Axess, however, does not file periodic reports, its securities are not registered with the Commission, it does not have any audited financial statements, and it has never filed a "Pro Forma 10 SB Registration Statement" with the Commission.

12. Axess and Grandon knew, or were reckless in not knowing, that the PPM's representations regarding Axess's financial condition were materially false and misleading.

(b) Fictitious Professional Relationships

13. The PPM referenced various executives and professional advisers who actually had no association with Axess. For example, the Legal and Accounting subsection of the PPM stated that Axess "has selected two highly regarded legal and accounting firms to assist in undertaking its projected public registration and auditing during FY 2002-2003, both of which have long-standing reputations for SEC enforcement and compliance." The PPM identified by name a San Francisco, California-based law firm and an Irvine, California-based accounting firm. In fact, neither of these firms had any relationship with Axess.

14. In addition, the Legal and Accounting subsection of the PPM identified five additional firms as having been "selected for consultation" on various intellectual property issues. These five firms, in fact, had no relationship with Axess.

15. The PPM also described a "20-25 person cadre of multidisciplinary key business executives and managers known as the Executive Committee." In reality, the Executive Committee did not exist and executives identified in the PPM as its members had no affiliation with Axess.

16. The PPM further identified several "investor and public relations professionals." Again, none had an ongoing business relationship with Axess or Grandon, and in fact two of the individuals had been embroiled in a business dispute with Grandon since January 2004.

17. The PPM was materially false and misleading in its description of the business relationships described above.

18. Axess and Grandon knew, or were reckless in not knowing, that the PPM's representations regarding Axess's business relationships were materially false and misleading.

Grandon's And Axess's Continuing Misrepresentations

19. In August 2004, after learning of an investigation by the Commission staff, Grandon removed the PPM from Axess's Internet website. However, Grandon and Axess continued to use the PPM in connection with efforts to raise funds for the company.

20. On or around November 19, 2004, Axess entered into an operating agreement with Benchmark Capital Partners, LLC ("Benchmark"), a small Nevada venture capital firm. Benchmark and Axess created a new company called the Axess Venture Fund, LLC ("AVF"),

which, according to an Axess press release, was formed to raise funds for Axess. Under the agreement, Axess conveyed 10 million shares of stock to AVF in exchange for a \$500,000 funding commitment.

21. In or around November 2004, during the due diligence process preceding the entry into the operating agreement, Grandon provided Benchmark with a copy of the fraudulent PPM. The PPM was sent to Benchmark via e-mail.

22. On or about December 20, 2004, Axess filed with the Commission, through the use of the United States mail or express mail service, a Form D Notice of Sale of Securities relating to the conveyance of 10 million Axess shares to AVF. Grandon signed the Form D.

23. The Form D filed by Axess conveyed a materially false picture of a fully operational start-up company with at least \$500,000 in sold securities.

24. Axess and Grandon knew, or were reckless in not knowing, that the Form D filed by Axess conveyed a materially false picture of a fully operational start-up company with substantial assets and multiple professionals and executives.

D. VIOLATIONS

25. As a result of the conduct described above, Respondent Axess committed violations of Section 17(a)(1) of the Securities Act, which prohibits fraudulent conduct in the offer and sale of securities.

26. As a result of the conduct described above, Respondent Axess committed violations of Section 17(a)(3) of the Securities Act, which prohibits fraudulent conduct in the offer and sale of securities.

27. As a result of the conduct described above, Respondent Grandon committed violations and caused Axess's violations of Section 17(a)(1) of the Securities Act, which prohibits fraudulent conduct in the offer and sale of securities.

28. As a result of the conduct described above, Respondent Grandon committed violations and caused Axess's violations of Section 17(a)(3) of the Securities Act, which prohibits fraudulent conduct in the offer and sale of securities.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate that cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations;

B. Whether, pursuant to Section 8A of the Securities Act, Respondents should be ordered to cease and desist from committing or causing violations of and any future violations of Sections 17(a)(1) and 17(a)(3) of the Securities Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondents fail to file the directed answer, or fail to appear at a hearing after being duly notified, Respondents may be deemed in default and the proceedings may be determined against them upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 221(f) and 201.310.

This Order shall be served forthwith upon Respondents personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Jonathan G. Katz
Secretary