

EMAX HOLDINGS CORP

FORM 8-K (Current report filing)

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SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 2, 1999

GATEWAYS TO SPACE, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware	33-20394-D	84-1099450
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

5401 Kirkman Road, Suite 158
Orlando, Florida 32819
(Address of principal executive offices)

Registrant's telephone number, including area code: (407) 363-9400

539 Bunker Lane
Pleasanton, California (Former
name or former address, if changed since last report.)

Page 1 of 6 pages Exhibit Index on Page 6

Item 1. Changes in Control of Registrant.

On April 2, 1999, pursuant to a Purchase Agreement (the "Agreement") among Entertainmax, Inc., a Florida corporation ("eMax"), and certain security holders of the Registrant (hereinafter such security holders are referred to as the "Shareholders"), the following occurred:

(a) Louis Karabachos, Kathy L. Desmond, Kathy Desmond Karabachos, Kara Group Holdings, Inc., Kara Group Inc., and certain other persons affiliated with the foregoing persons, the Shareholders, sold to eMax 23,987,711 shares of the Registrant's common stock, \$.001 par value (the "Common Stock"), 600,000 shares of the Registrant's Class A preferred stock, \$.001 par value, 520,502 shares of the Registrant's Class B preferred stock, \$.001 par value, and 7,100,000 warrants to purchase shares of Common Stock (all of the foregoing, the "Purchased Securities");

(b) EMax paid consideration of \$25,000.00 in cash for the Purchased Securities; and

(c) Louis Karabachos and Kathy L. Desmond agreed to resign their positions as officers and directors of the Registrant, to terminate any employment agreements between each of them and the Registrant, and to waive all claims against the Registrant, including but not limited to any rights to receive any and all severance benefits for stock, outstanding fees and claims for past salaries or claims for issuance of the stock of the Registrant upon any subsequent termination of employment.

As a result of the closing of the Agreement, eMax owns approximately forty and 35/100 percent (40.35%) of the 59,440,691 outstanding shares of record of the Common Stock of the Registrant. The precise ownership percentage currently cannot be ascertained, as the Registrant is engaged in an effort to verify the ownership status of its securities. No source of the consideration by eMax to acquire control of the Registrant was a loan made in the ordinary course of business by a bank as defined in Section 3(a)(6) of the Act.

To the knowledge of the Registrant, there are not any arrangements or understandings among members of the former and new control groups and their associates with respect to the election of directors or other matters with respect to the Registrant, except that the aforementioned Agreement provided for the resignations of Louis Karabachos and Kathy L. Desmond as directors and officers of the Registrant. The sole remaining director of the Registrant, Edward Johnson, subsequently elected the following officers and additional directors (provided that the election of such additional directors shall be effective ten (10) days after the date of the Registrant's filing of an Information Statement pursuant to Rule 14F-1):

Board of Directors

Roxanna Weber
Matthew C. Weber
Joseph R. Yates, III

Officers

Roxanna Weber, Secretary and Treasurer
Matthew C. Weber, President and CEO
Joseph R. Yates, III, Vice-President

There is currently no arrangement, known to the Registrant, including any pledge by any person of securities of the Registrant or any of its parents, the operation of which may at a subsequent date result in a further change in

control of the Registrant. The Registrant shall file with the Securities and Exchange Commission a statement on Schedule 14F reporting the events occurring in connection with the Agreement, and eMax shall file with the Securities and Exchange Commission a statement on Schedule 13D reporting its acquisition of the Purchased Securities.

Item 2. Acquisition or Disposition of Assets.

Not applicable.

Item 3. Bankruptcy or Receivership.

Not applicable.

Item 4. Changes in Registrant's Certifying Accountant.

On July 26, 1999, the Registrant executed an engagement letter with the certified public accounting firm of C.M. Meeks & Company, P.A., which detailed the scope of work to be performed by C.M. Meeks & Company, P.A. during the next year. The Registrant's relationship with the certified public accounting firm of Grant Thornton LLP (the "Former Accountants") had been terminated by a letter of resignation from the Former Accountants, dated November 22, 1996. The Registrant's decision to retain C.M. Meeks & Company, P.A. was approved by the Registrant's Board of Directors.

Until the engagement of C.M. Meeks & Company, P.A., the Registrant has not had an accountant since November 22, 1996. Accordingly, during the Registrant's four most recent fiscal years, there have been no financial reports issued by the Registrant.

The Former Accountants' report on the Registrant's financial statements for the year ended December 31, 1994, did not contain an adverse opinion or a disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope, or accounting principles. The Former Accountants, on November 22, 1996, resigned prior to completing their audit of the financial statements for the year ended December 31, 1995.

Since the engagement of the Former Accountants on February 22, 1995 and until the resignation of the Former Accountants, there were no disagreements with the Former Accountants on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of the Former Accountants, would have caused it to make reference to the subject matter of the disagreements in connection with its reports. However, in a letter dated November 22, 1996, the Former Accountants indicated that they had difficulties in completing the audit for the year ended December 31, 1995. The difficulties had arisen for a number of reasons, including delays in receiving information, failure to receive payments of their invoices according to the terms of the engagement letter between them and the Registrant, and the filing of shareholder law suits and the lack of legal opinion relating to those suits that was acceptable to the Former Accountants. The Former Accountants informed the Registrant on October 9, 1996, that no further work would be undertaken on the

audit after the filing of such lawsuits. The later unauthorized use of the preliminary draft financial statements in the Registrant's annual report on Form 10-KSB for the year ended December 31, 1995, resulted in the Former Accountants' decision to resign.

When disclosure pursuant to Item 4 of Form 8-K is made, Item 304(a)(3) of Regulation S-K (the "Rule") promulgated by the Securities and Exchange Commission (the "Commission") requires a registrant to deliver a copy of the Form 8-K to the Registrant's former accountants, requesting that such former accountants review the disclosures made therein and provide a letter to the Registrant, addressed to the Commission, stating whether or not such Former Accountants agree with the statements made by the Registrant therein and, if not, stating the basis for their disagreement. The Registrant delivered a copy of this Form 8-K to the Former Accountants on September 23, 1999, and requested that the Former Accountants review the disclosures contained herein and provide the response required by the Rule as promptly as possible so the Registrant can file the response with the Commission as soon as possible and, in no event, later than ten business days after the filing of this Form 8-K. The Registrant received a response from the Former Accountants by letter received on September 27, 1999, in which the Former Accountants indicated that they agreed with the disclosures and statements made by the Registrant in this Form 8-K. The response of the Former Accountants is attached hereto as an exhibit.

Item 5. Other Events.

Not applicable.

Item 6. Resignations of Registrant's Directors.

Not applicable.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

The following exhibits are filed with this report:

Exhibit No. -----	Exhibit Description -----
16.1	Letter from Grant Thornton LLP to the Registrant. (Filed herewith.)
23.1	Purchase Agreement dated April 2, 1999, among Louis Karabachos, Kathy L. Desmond, Kathy Desmond Karabachos, Kara Group Holdings, Inc., Kara Group Inc., Gateways to Space, Inc., and Entertainmax, Inc. (Filed herewith.)
99.1	Press Release issued by the Registrant dated September 30, 1999 (Filed herewith.)

Item 8. Change in Fiscal Year.

Not applicable.

Item 9. Sales of Equity Securities Pursuant to Regulation S.

Not applicable.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GATEWAYS TO SPACE, INC.

September 30, 1999

By: /s/ Matthew C. Weber

Matthew C. Weber, President and CEO

EXHIBITS INDEX

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99.1	Press Release issued by Registrant, dated September 30, 1999 (Filed herewith.)

The US Member Firm of
Grant Thornton International

Securities & Exchange Commission
450 Fifth Street NW
Washington, DC

RE: Gateways to Space, Inc. (Commission File No. 33-20394-D) Review of Form 8-K

Dear Sir or Madam:

We have reviewed the Form 8-K dated April 2, 1999 forwarded to us on September 23, 1999. After review of the disclosures contained in the Form 8-K, we agree with the statements made by the Registrant therein with respect to Item 4 of the Form 8-K, except we have no knowledge whether an engagement letter was executed with C. M. Meeks mid Company.

Very truly yours,

*Suite 1100
One California Street
San Francisco, CA 94111
Tel: 415 986-3900
Fax: 415 986-3916*

/s/ GRANT THORNTON LLP

PURCHASE AGREEMENT dated April 2, 1999 among Louis Karabochos ("Karabochos"), Kathy L.

Desmond ("Desmond") Kathy Desmond
Karabochos, ("Kathy"), Kara Group Holdings,
Inc., ("Kara Holdings") Kara Group Inc
("Kara Group"), Gateways to Space, Inc., a
Delaware corporation ("GWTS") and
Entertainmax, Inc., a Florida corporation
("Purchaser").

RECITALS

Karabochos, Desmond, Kathy, Kara Holdings, and or Kara Group and certain other persons affiliated with Karabochos, Desmond, Kathy, Kara Group, Kara Holdings named in Schedule I annexed hereto (collectively, "Sellers") own at least 21,987,710 shares of common stock of GWTS, with the possibility of 32,500,000 (the "Common Shares") Common Securities, 600 Shares of Class A and 500,000 Shares of Class B Preferred Shares (the "Preferred Shares") and a minimum of 7, 100,000 warrants to purchase Common Shares (the "Warrants"). Collectively, the Common Shares, the Preferred Shares and the Warrants are referred to herein as the "Securities" and the Securities represent approximately, eighty (80%) percent of the fully diluted outstanding Securities of Gateways into Space, Inc. ("GWTS") GWTS's Securities are currently traded on the NASDAQ OTC Bulletin Board under the symbol "GWTS",

The Securities, because of the current positions of Karabochos and Desmond with GWTS, constitute "restricted shares," as said term is used in Rule 144 promulgated by the Securities and Exchange Commission ("SEC") under the Securities Act of 1933, as amended (the "Securities Act");

Purchaser desires to acquire from the Sellers, and the Sellers desire to sell to Purchaser, all of the Securities on the terms and subject to the conditions set forth below.

NOW, THEREFORE, in consideration of the premises, the parties hereto Wee as follows:

I. PURCHASE

Purchase. At the Closing (as defined in Section 2.1 below), Sellers severally shall sell, and Purchaser shall purchase, the Securities for a purchase price of \$25,000 payable *in cash at the Closing (the "Purchase Price"), which funds, contemporaneously herewith, is being deposited with the Escrow Agent pursuant to the terms of the Escrow Agreement referred to in Section 3.1 below.

II. ACTION TO BE TAKEN AT CLOSING

The Closing of the transactions contemplated hereby (the "Closing") shall take place upon signing of all closing and transfer documents

SECTION 2.1 Resignation. Karabochos and Desmond hereby each resigns his/her position as an officer and director of GWTS, and GWTS hereby accepts such resignations.

SECTION 2.2 Employment Agreement. Any existing employment agreements of each of Karabochos and Desmond with GWTS are hereby terminated.

SECTION 2.3 Release of Severance Claims. Concurrently with the closing of this agreement Karabochos and Desmond waives all claims, including but not limited to their respective right to receive any and all severance benefits for stock, outstanding fees and claims for past salaries or claims for issuance of GWTS stock upon any subsequent termination of employment and shall also deliver a release form pertaining to GWTS and its affiliates from any claims in these regards.

SECTION 2.4 Certificate of Absence of Material Adverse Change. Karabochos and Desmond shall each sign and deliver to Purchaser a certificate stating that, since 6/30/96, there has been no event or circumstances which has had, or reasonably can be expected to have, a material adverse effect on the business, financial condition or operations of GWTS.

III. ACTION PENDING CLOSING

SECTION 3.1 Escrow Agreement. Contemporaneously with the execution and delivery of this Agreement, Sellers, Purchaser and GWTS shall enter into an escrow agreement, in the form of Exhibit 3.1 hereto (the "Escrow Agreement"), with The Law Offices Of Michael Blake, P.C., as escrow agent ("Escrow Agent"), providing, contemporaneously with its execution, for the deposit with the Escrow Agent of \$25,000.00. The Escrow Agreement will include provisions for application of property deposited pursuant thereto, including liquidation of shares of common, preferred, and Warrants for stock of GWTS owned by the Purchaser in the event of a failure to make payment in full of the purchase price of the Securities.

SECTION 3.2 No Solicitation.

(a) Each of Karabochos and Desmond agree that prior to the termination of this Agreement, neither of them or any other Seller shall seek to solicit, initiate, knowingly facilitate or encourage (including by way of furnishing or disclosing information) any merger, consolidation, other business combination involving GWTS, acquisition of all or any substantial portion of the assets or capital stock of GWTS or the purchase or other disposition of the Shares, or inquiries or proposals concerning or which would reasonably be expected to lead to, any of the foregoing (an "Acquisition Transaction") or negotiate, explore or otherwise knowingly communicate in any way with any third party (other than Purchaser or its affiliates, or the Escrow Agent with respect to the Escrow Agreement) with respect to any Acquisition Transaction or enter into any agreement arrangement or understanding requiring it to abandon, terminate or fail to consummate any transactions expressly contemplated by this Agreement, or contemplated to be a material part thereof

(b) Notwithstanding the foregoing, in the event that there is an unsolicited written proposal for an Acquisition Transaction from a bona fide financially capable third party that contains no financing contingency, GWTS, in its discretion, shall be permitted to furnish to and communicate with any such party all publicly available information requested by such party. GWTS thereafter, shall promptly advise Purchaser in writing of the identity of such party. In the event that such party requests information in addition to that which is publicly available, GWTS may furnish to and

communicate with such third party non-public information only if (i) contemporaneous written notice is given to Purchaser; and (11) (A) GWTS's Board of Directors shall have been satisfied that such third party is financially capable, without any financing contingency, of consummating an Acquisition Transaction, (B) GWTS's Board of Directors shall have been advised, by the opinion of outside counsel to GWTS, that any failure to provide such non-public information to such party would constitute a breach of the fiduciary responsibilities of the Board of Directors to the stockholders of GWTS and (C) the Board of Directors, after weighing such advice, determines that taking such action is more likely than not to lead an Acquisition Transaction and that failing to furnish such information would constitute a breach of the Board's fiduciary duties.

SECTION 3.3 Access to Information. Each of Karabochos and Desmond shall cause GWTS to afford to the Purchaser, the Purchaser's accountants, counsel, financial advisors and other representatives reasonable access during normal business hours throughout the period prior to the Closing to all properties, books, contracts, commitments and records of GWTS and, during such period, shall furnish promptly (a) a copy of each report, schedule and other documents filed or received by GWTS during such period pursuant to the requirements of federal or state securities laws or filed by GWTS during such period with the SEC in connection with the transactions contemplated by this Agreement or which may have a material effect on its business properties or personnel and (b) such other information concerning GWTS's business, properties and personnel as the Purchaser shall reasonably request; provided, however, that no investigation pursuant to this Section 3.3 shall affect any representation or warranty made herein. All non-public documents and information furnished to Purchaser shall be deemed to have been received pursuant to and shall be subject to the provisions of the confidentiality and non-disclosure agreement heretofore entered into between Purchaser and GWTS (the "Confidentiality Agreement").

SECTION 3.4 No Exercise of Options. Karabochos and Desmond each agree that they shall not exercise any of their respective warrants to purchase shares of common stock of GWTS after the date of this Agreement and prior to Closing.

SECTION 3.5 Additional Share Issuances and Material Transactions. GWTS agrees that it shall not authorize the issuance of any additional shares of its common stock or enter into any material contracts or agreements after the date hereof and prior to the Closing without first obtaining the consent of Purchaser, which consent shall not be unreasonably withheld.

SECTION 3.6 Rule 14-1 Statement. A Statement on Schedule 14F shall be filed by GWTS with the SEC, promptly following the execution and delivery of this Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF KARABOCHOS, DESMOND,

Karabochos, Desmond, Kathy, Kara Group Inc, and Kara Group Holdings, Inc, Jointly and severally represent and warrant to the Purchaser as follows, with the knowledge and understanding that the Purchaser is relying materially upon such representations and warranties:

SECTION 4.1 Organization and Standing. GWTS is not in good and standing under the laws of the State of Delaware. GWTS Will perform all acts necessary to reinstate it's good

standing.

SECTION 4.2 Capitalization. The authorized capital stock of GWTS, the number of shares of capital stock which are issued and outstanding and the par value thereof are as set forth in Schedule 4.2 hereof All of such shares of capital stock that are issued and outstanding are duly authorized, validly issued and outstanding, fully paid and non-assessable, and were not issued in violation of the preemptive rights of any person. Except as set forth in GWTS's SEC Reports (as defined below) or as otherwise disclosed therein and herein, there are no subscriptions, options, warrants, rights or calls or other commitments or agreements to which GWTS is a party or by which it is bound, calling for any issuance, transfer, sale or other disposition of any class of securities of GWTS. Other than as set forth in GWTS's SEC Reports, there are no outstanding securities convertible or exchangeable, actually or contingently, into common stock or any other securities of GWTS.

SECTION 4.3 Authority. GWTS's Board of Directors will approve and ratify this Agreement.

SECTION 4.4 No Breaches. The making and performance of this Agreement and the other agreements contemplated hereby by GWTS will not (1) conflict with or violate the Certificate of Incorporation or the by-laws of GWTS, (11) violate any laws, ordinances, rules, or regulations, or any order, writ, injunction or decree to which GWTS is a party or by which GWTS or any of its material assets, businesses, or operations may be bound or affected or (111) result in any breach or termination of, or constitute a default under, or constitute an event which, with notice or lapse of time, or both, would become a default under, or result in the creation of any encumbrance upon any material asset of GWTS under, or create any rights of termination, cancellation or acceleration in any person under, any material agreement, arrangement or commitment to which GWTS.

SECTION 4.5 GWTS's SEC Reports. Except as provided for in Schedule 4.5, GWTS has filed all reports, registrations and other documents, together with any amendments thereto, required to be filed under the Securities Act and the Exchange Act through and as filed as up to the period ending September 31, 1995 (all such reports, registrations and documents filed with the SEC up to the date of September 31, 1995 are collectively referred to as "GWTS's SEC Reports"). GWTS has not filed any other "GWTS SEC Reports since September 30, 1995. The GWTS SEC Reports which have been filed in the past has complied in all material respects with all rules and regulations promulgated by the SEC and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Since October 1996 the SEC has been accruing a daily fine for GWTS not providing necessary GWTS SEC Reports.

SECTION 4.6 Title to Shares. Each Seller owns the Securities he or she proposes to sell pursuant to this Agreement free and clear of all liens, claims and encumbrances and, when such Shares are purchased and paid for pursuant to this Agreement and the Escrow Agreement, Purchaser (or GWTS in the case of the redeemed Shares) shall acquire ownership of such Securities free and clear of all liens, claims and encumbrances created by or through Sellers.

SECTION 4.7 Binding Effect. This Agreement constitutes the valid and binding obligation of each of Karabochos and Kathy, and Desmond enforceable in accordance with its terms.

SECTION 4.8 Additional Assurances: Sellers warrant that they will take any and all actions that may be necessary to convey any and all interests and securities which may be listed in Sellers name and recorded with GWTS' stock transfer agent, including but not limited to, the execution of lost instruments bonds, or share assignment for those shares which have been listed by the stock transfer agent but have not been transferred to Sellers.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to GWTS and the Sellers as follows, with the knowledge and understanding that GWTS and the Sellers each is relying materially on such representations and warranties:

SECTION 5.1 Organization and Standing of Purchaser. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida. Purchaser has all requisite corporate power to carry on its business as now conducted.

SECTION 5.2 Purchaser's Authority. Purchaser's Board of Directors has approved and adopted this Agreement. No approval of this Agreement is required of Purchaser's stockholders. This Agreement constitutes the valid and binding obligation of Purchaser, enforceable in accordance with its terms.

SECTION 5.3 No Breaches. The making and performance of this Agreement will not (1) conflict with the Certificate of Incorporation or the By-laws of Purchaser, (11) violate any laws, ordinances, rules, or regulations, or any order, writ, injunction or decree to which Purchaser is a party or by which Purchaser or any of its material assets, business, or operations may be bound or affected or (iii) result in any breach or termination of, or constitute a default under, or constitute an event which, with notice or lapse of time, or both, would become a default under, or result in the creation of any encumbrance upon any material asset of Purchaser under, or create any rights of termination, cancellation, or acceleration in any person under, any material agreement, arrangement or commitment to which Purchaser is a party.

SECTION 5.4 Information. The draft statement on Schedule 14-1 prepared by Purchaser and furnished to GWTS in anticipation of the execution and delivery of this Agreement insofar as the information contained therein relates to Purchaser, its designees for membership on the Board of Directors of GWTS and its plans or intentions regarding GWTS, satisfies the information requirements of Rule 14f- I promulgated by the SEC pursuant to the Exchange Act and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statement therein, in light of the circumstances under which they were made, not misleading.

ARTICLE VI

TERMINATION

Section 6.1 Termination. This Agreement may be terminated by either the Purchaser or the Sellers if the Closing does not take place within thirty (30) days from the date hereof provided that a party whose action or inaction the reason for the Closing not taking place shall not have the right to give notice of termination.

ARTICLE VII

MISCELLANEOUS

SECTION 7.1 Expenses. GWTS, Sellers and Purchaser shall each pay their own expenses incident to the negotiation, preparation, and carrying out of this Agreement, including all fees and expenses of its counsel for all activities of such counsel undertaken pursuant to this Agreement.

SECTION 7.2 Survival of Representations and Warranties. All statements contained in this Agreement or in any certificate delivered by or on behalf of Purchaser and the Sellers pursuant hereto or in connection with the transactions contemplated hereby shall be deemed representations and warranties by Purchaser and the Sellers, as the case may be, hereunder. All representations and warranties made by Purchaser and the Sellers in this Agreement, or pursuant hereto, shall survive the Closing only until March 1, 2000 and no action based thereon may be commenced after such date; provided, however, that all representations and warranties related to any claim asserted in writing prior to the expiration of the above period shall survive until such claim shall be resolved and payment in respect thereof, if any is owing, shall be made; and provided, further, that the representation and warranty contained in Section 4.6 shall survive indefinitely.

SECTION 7.3 Succession and Assignments; Third Party Beneficiaries. This Agreement may not be assigned (either voluntarily or involuntarily) by any party hereto without the express written consent of the other party. Any attempted assignment in violation of this Section shall be void and ineffective for all purposes. In the event of an assignment permitted by this Section, this Agreement shall be binding upon the heirs, successors and assigns of the parties hereto. There shall be no third party beneficiaries of this Agreement.

SECTION 7.4 Notices. All notices, requests, demands, or other communications with respect to this Agreement shall be in writing and shall be (1) sent by facsimile transmission, (ii) sent by the United States Postal Service, registered or certified mail, return receipt requested, or (iii) personally delivered by a nationally recognized express overnight courier service, charges prepaid, to the following addresses (or such other addresses as the parties may specify from time to time in accordance with this Section):

(a) To Purchaser:

EntertainMax, Inc.
5401 Kirkman Road
Suite 158
Orlando, Florida 32819
Attn: Chuck Weber
Fax No.: (407)-363-9996
Phone No.: (407) 363- 9400

With a copy to:
Laurence H. Katz, Esquire
341 N. Maitland Avenue
Suite 120
Maitland, FL 32751
Attn: Larry Katz
Fax No.: 407-539-1466

(b) To GWTS:

Attn: Robert Agnew Fax No.: (505) 883-0807 Phone No.: (505) 881-2722

With a copy to: Andrew Andrade, Esquire 5261 South Quebec Street, Ste. 150 Greenwood Village, CO 80111

(c) To the Sellers: Lou Karabocho and/or Kathy Desmond Karabocho 1925 Oak Grove Road Walnut Creek CA 94598

Fax No.: 925-256-0755 Phone No.: (925-256-0433

Any such notice shall, when sent in accordance with the preceding sentence, be deemed to have been given and received on the earliest of (1) the day delivered to such address or sent by facsimile transmission or electronic mail, (n) the fifth business day following the date deposited with the United States Postal Service, or (11) 24 hours after shipment by such courier service.

SECTION 7.5 Construction. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Florida without giving effect to the principles of conflicts of law thereof

SECTION 7.6 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same Agreement.

SECTION 7.7 No Implied Waiver; Remedies. No failure or delay on the part of the parties hereto to exercise any right power, or privilege hereunder or under any instrument executed pursuant hereto shall operate as a waiver nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. All rights, powers, and privileges granted herein shall be in addition to other rights and remedies to which the parties may be entitled at law or in equity.

SECTION 7.8 Entire Agreement. This Agreement, including the Exhibits attached hereto, and the Confidentiality Agreement sets forth the entire understandings of the parties with respect to the subject matter hereof, and it incorporates and merges any and all previous communications, understandings, oral or written, as to the subject matter hereof, and cannot be amended or changed except in writing, signed by the parties.

SECTION 7.9 Headings. The headings of the Sections of this Agreement, where employed, are for the convenience of reference only and do not form a part hereof and in no way modify, interpret or construe the meanings of the parties.

SECTION 7.10 Severability. To the extent that any provision of this Agreement shall be invalid or unenforceable, it shall be considered deleted hereof and the remainder of such provision and of this Agreement shall be unaffected and shall continue in full force and effect.

SECTION 7.11 Governing Law. This agreement shall be construed and enforced in accordance with and the laws of the state of Florida hereof shall govern the validity and performance. The parties agree jurisdiction for any action brought in connection with this agreement shall be in connection with this agreement shall be in agreement shall be in Florida.

SECTION 7.12 Dispute: If Seller and Purchaser fail to resolve a Dispute within a thirty day period, (the "Arbitration Deadline"), the parties hereby agree to submit the Dispute to binding arbitration in Orange County, Orlando, Florida, in accordance with the provisions of the American Arbitration Association.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

ENTERTAINMAX, INC.

By: /s/ Chuck Weber

Name: Chuck Weber
Title: Chairman/CEO

GATEWAYS TO SPACE, INC.

By: _____

Name:
Title:

/s/ Louis Karabochos

Louis Karabochos

/s/ Kathy L. Desmond

Kathy L. Desmond

/s/ Kathy Desmond Karabochos

Kathy Desmond Karabochos

KARA GROUP, INC.

By: /s/ Louis Karabochos

Name:
Title: President

KARA GROUP HOLDINGS, INC.

By: /s/ Louis Karabochos

Name:
Title: President

Press Release issued by Registrant, dated September 30, 1999

407-425-6040

Laura@bennettandco.com

ENTERTAINMAX Buys Interest in Gateways to Space

ORLANDO, Fla. (September 30, 1999) - Orlando-based ENTERTAINMAX, Inc. announced today it has purchased a large block of shares in Gateways to Space (OTC BB: GWTS) from the Karabocho family, company founders and major shareholders.

"We've purchased this interest in Gateways to Space because we believe in its products and message," said Chuck Weber, chairman of ENTERTAINMAX. "We at ENTERTAINMAX are confident that the future of this company and works yet-to-be produced have potential when presented correctly to the marketplace."

Weber said ENTERTAINMAX is in the process of bringing GWTS back into compliance with Securities and Exchange Commission regulations.

ENTERTAINMAX was founded to manufacture, publish and distribute music and films. The company owns licensing rights to film classics featuring such stars as John Wayne, Shirley Temple and Abbott and Costello among others. ENTERTAINMAX also holds worldwide rights to music from such artists as Nat King Cole and Frank Sinatra.

ENTERTAINMAX is also the parent corporation of eMAX, Inc., a multi-level, technology-driven organization founded in 1991 that operates from four groups: eMAX Software, eMAX Music, eMAX Video and eMAX Communications. Weber, with his wife Roxanna who serves as chief financial officer, has grown the company and its assets to include a wide range of mediums focusing on the production and global distribution of high-quality family entertainment.

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