

ACQUISITION AGREEMENT

THIS AGREEMENT (this "Agreement") is made as of June 6, 2012 and effective May 30, 2012 (the "Effective Date"), by and among **STAR ENTERTAINMENT GROUP, INC.**, a Nevada corporation (the "Purchaser") and **MEDIA PAL, INC. D/B/A TRANZISTOR SYSTEMS, INC.**, a Florida development-stage corporation (the "Company") and its shareholders (the "Shareholders")(the Company and Shareholders are collectively referred to as the "Sellers").

RECITALS

WHEREAS, Sellers are engaged in the business of operating a digital entertainment and distribution company (the "Business"); and

WHEREAS, Purchaser desires to purchase from Sellers, and Sellers desires to sell to Purchaser, all of the outstanding capital stock of the Company in return for cash and shares of the Purchaser.

NOW, THEREFORE, the parties agree as follows:

1. Purchase of Shares. At the closing (the "Closing"), subject to the satisfaction of all conditions precedent or subsequent contained in this Agreement, the Purchaser will purchase all of the outstanding capital stock, and convertible securities of Seller, free and clear of any liens, charges, restrictions or encumbrances thereon (collectively, the "Shares").

2. Consideration for Shares. The consideration for the purchase of the Shares will be as described below:

2.1 Purchase Price. The purchase price for the Shares will consist of a 25,000,000 shares of Purchaser's convertible preferred stock, which represents approximately 250% of the fully diluted capital stock of the Purchaser ("Convertible Preferred Shares"). The agreed value for the underlying common stock is \$.40 per share. The Purchaser's common stock will only be issued without registration or qualification to a limited number of institutional holders of Shareholders acceptable to the Purchaser. The Purchaser has separately provided to Company the Purchaser's capitalization table showing outstanding shares. The Purchaser also warrants that at the point of conversion the Board of Directors will provide for the Authorized Capital Stock of Purchaser to be extended to such level plus 10% to accommodate the Shareholders' conversion.

2.2 Cash Investment. Purchaser agrees to invest up to \$2 Million in working capital in cash into Company for the first year of operations in monthly tranches, starting with \$25,000 within thirty (30) days after the Effective Date of this Agreement and a minimum of \$175,000 at the end of the last day of each month (subject to a three (3) day grace period) thereafter with the last payment being \$50,000. All payments as and when received from Purchaser will be treated as contributed capital.

2.3 Restriction on Distributions. Purchaser agrees to permit all cash generated by Company in excess of operating costs to be reinvested into Company; provided, however, should net income exceed 10% percent of operating costs for any given month, Purchaser shall be entitled to receive 10% of such net income; provided, however, payments will be made as and when cash flow permits, in Company's sole discretion, at the end of the following month. If cash flow does not permit, such payment may be offset against the last payment(s) of the investment described in Section 2.2 above.

2.4 Merger or Spin-Off Options. Company will have the option, in its sole discretion, to merge with and into the Purchaser or spin-off and become a stand-a-alone entity, subject to terms and conditions to be agreed between the parties within one year after the Effective Date, subject to the Purchaser maintaining a 10% interest in Purchaser or Company, depending on the option selected.

2.5 Piggy-Back Registration Rights. The parties shall enter into a mutually acceptable registration rights agreement within ninety (90) days after the Effective Date of this Agreement, which shall provide, in addition to other customary provisions, that in the event that the Purchaser shall propose a Registration, then the Purchaser shall give to each holder of the Shares written notice (the "Registration Notice") of such proposed Registration (which notice shall include a statement of the proposed filing date thereof, the underwriters and/or managing underwriters of the subject offering, and any other known material information relating to the proposed Registration) not less than twenty (20) or more than sixty (60) days prior to the filing of the subject Registration Statement.

2.6 Anti-Dilution. The parties shall agree to mutually acceptable provision regarding issuances of additional shares of Purchaser's common stock to other parties so as to maintain as much as possible the fully diluted percentage of ownership within sixty (60) days after the Effective Date of this Agreement.

2.7 No Bad Actors. Purchaser and Sellers hereby certify that none of the parties, or any person or party affiliated in any manner with any of the parties to this Agreement, is a “Bad Actor” as such is described in Rule 262 of the General Rules and Regulations promulgated under the Securities Act of 1933, as amended (the “Act”) and the proposed rule described in Release No. 33-9211; File No. S7-21-11, filed with the Securities and Exchange Commission, and that no Bad Actors will become involved with knowledge of any of the parties in the future.

2.8 Board of Directors of Purchaser. Company, in its discretion, is entitled to appoint two members to the Purchaser’s Board of Directors within sixty (60) days after the Effective Date, subject to satisfactory background checks on potential appointments and approval by Purchaser, which approval shall not be unreasonably withheld.

3. Representations of Sellers. Sellers represent and warrant as follows:

3.1 The Convertible Preferred Shares shall be acquired by the Shareholders for their own beneficial account and will hold such shares of the Purchaser for Investment and not with a view to the unlawful distribution thereof and acknowledges that the certificates for the shares shall contain a restrictive legend thereon, restricting sale, transfer or hypothecation thereof unless the shares are the subject of an effective registration statement duly filed with the Securities and Exchange Commission under the Act, or the issuer is provided, with an opinion of counsel, satisfactory to it, that registration is not required under the Act.

3.2 As of the Effective Date, the Shareholders will be the sole owners of the Shares of the Company appearing of record in their names; such Shares will be free from claims, liens, or other encumbrances and such Shareholders will have the unqualified right to transfer such Shares.

3.3 The Shares to be delivered by the Sellers constitute validly issued shares of the Company, fully paid and nonassessable.

3.4 The Company is a development-stage company with no substantial liabilities, either fixed or contingent, other than assumed debt, and contracts or obligations in the usual course of business; and no such assumed debt, and contracts or obligations in the usual course of business or liens or other liabilities which, if disclosed, would pose any substantial changes in the financial condition of the Company.

3.5 The Company is not involved in any pending litigation or governmental investigation or proceeding not disclosed in writing to Purchaser and, to the knowledge of Sellers, no litigation or governmental investigation or proceeding is threatened against the Company.

4. Representations of Purchaser. Purchaser represents and warrants as follows:

4.1 The Convertible Preferred Shares to be delivered to the Shareholders within forty five (45) days after the Effective Date, will constitute the valid and legally issued shares of Purchaser, fully paid and nonassessable, and the underlying common stock will be legally equivalent in all respects to the common stock of Purchaser issued and outstanding as of date hereof.

4.2 The officers of Purchaser are duly authorized to execute this Agreement pursuant to authorization of its Board of Directors.

4.3 Purchaser is not involved in any governmental investigation or proceeding not disclosed in writing to the Shareholders.

4.4 The Shares of the Company are being acquired by Purchaser for an investment, and there is no present intention on the part of Purchaser to dispose of such Shares.

5. Conditions of Closing.

5.1 The closing date herein referred to shall be the Effective Date.

5.2 All representations and covenants herein made by and between the parties shall survive the closing;

5.3 The obligations of Purchaser hereunder are not conditioned upon its obtaining a permit from any regulatory authority, for the issuance of its Convertible Preferred Shares and any underlying common stock to Shareholders as hereinabove provided.

6. Unwind Provision. This Agreement is subject to unwinding whereby Seller or Purchaser may take the necessary actions to cancel the acquisition and return each entity to its status and structure prior to the acquisition. The parties shall have the option to exercise the unwind provision with ten (10) days' notice should any of the following occur: (i) Purchaser does not issue the 25,000,000 shares of its Convertible Preferred Shares as payment for the Shares; (ii) Purchaser does not make the required \$25,000 initial payment; (iii) Purchaser does not make any of the agreed upon monthly payments of \$175,000; or (iv) within twelve (12) months after the Effective Date, a receiver or other liquidating officer is appointed for substantially all of the assets or business of Purchaser, or if Purchaser makes an assignment for the benefit of creditors, or Purchaser becomes insolvent or bankrupt or enters into reorganization proceedings; and (vi) there is any type of substantial change of control or stock ownership that would cause the Convertible Preferred Shares to not be majority and control ownership in Purchaser. If the parties do not otherwise agree to modification of terms or extension of time periods or resolve any of the foregoing unwinding matters, then upon receipt by written notice of unwind from the party exercising the provision, the following shall occur: (i) any appointments to the Board of Directors of Purchaser and any appointed Purchaser management shall automatically resign as of the effective date of the unwinding; (ii) the 25,000,000 shares of Convertible Preferred Shares, if issued, for the Shares, shall be automatically cancelled and returned to Purchaser's treasury; (iii) the Shares shall be cancelled and reissued to the Shareholders; and (iv) this Agreement shall be deemed null and void.

7. Indemnification.

7.1 Subject to the limits set forth in this Section 7, the Sellers agree to jointly and severally indemnify, defend and hold Purchaser, its officers, directors, employees, agents, representatives and affiliates, harmless from and in respect of any and all actual losses, damages, costs and expenses, that they may incur arising out of or due to (i) the breach of any representation or warranty of any of the Sellers contained in this Agreement, and (ii) the breach by any of the Sellers' of any covenant, undertaking or other agreement of any of the Sellers contained in this Agreement.

7.2 Subject to the limits set forth in this Section 7, Purchaser agrees to indemnify, defend and hold the Sellers and their respective officers, directors, employees, agents, representatives and affiliates, harmless from and in respect of any and all actual losses, damages, costs and expenses, that they may incur arising out of or due to (i) the breach of any representation or warranty of the Purchaser contained in this Agreement, and (ii) the breach by any of the Purchaser's covenant, undertaking or other agreement of the Purchaser contained in this Agreement.

7.3 Neither the Sellers nor Purchaser shall have any liability with respect to matters described in Sections 7.1 or 7.2, respectively (other than in the case of fraud) until the total of all losses exceeds \$25,000 and then the full amount of such losses shall be subject to indemnification hereunder. The parties hereby acknowledge and agree that their sole and exclusive remedy with respect to any and all claims (other than in the case of fraud) relating to the subject matter of this Agreement and the transactions contemplated hereby shall be pursuant to the indemnification provisions set forth in this Section 7. In no event shall a party be entitled to recover any consequential or punitive damages of any kind under this Agreement. For the purposes of computing the amount of any losses incurred under this Section 7 there shall be deducted an amount equal to the amount of any insurance proceeds, indemnification payments, contribution payment or reimbursements actually received in the respect of such losses or any of the circumstances giving rise thereto, other than pursuant to this Agreement. The indemnification obligations hereunder shall survive the closing date for twelve (12) months after the Effective Date and no claim for the recovery of losses may be asserted by either party after such period.

8. Amendment, Extension and Waiver. Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

9. Expenses. Each party shall pay its own legal, accounting and other miscellaneous expenses incident to the negotiation, preparation and execution of this Agreement and the consummation of the transactions contemplated by this Agreement.

10. Entire Agreement; No Third-Party Beneficiaries. This Agreement constitutes the entire agreement and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

11. Headings. The headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

12. Notices. All notices, requests, demands and other communications made under or by reason of the provisions of this Agreement shall be in writing and shall be given by hand delivery, overnight air courier or facsimile transmission to the parties at the addresses set forth below.

If to Purchaser:

Star Entertainment Group Inc.

Attn: _____

Fax: (____) ____-____

If to Sellers:

Tranzistor Systems C/O L. Joshua Eikov

Fax: (____) ____-____

Any such notice, request, demand or other communication shall be deemed to have been received (i) when delivered, if delivered by hand or sent by facsimile, or (ii) on the second (2nd) business day after dispatch, if sent by overnight air courier.

13. Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives and assigns, but this Agreement may not be assigned by any party without the written consent of the other parties.

14. Severability. Any term or provision of this Agreement that is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction or other authority declares that any term or provision hereof is invalid, void or unenforceable, the parties agree that the court making such determination shall have the power to reduce the scope, duration, area or applicability of the term or provision, to delete specific words or phrases, or to replace any invalid, void or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision.

15. Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Nevada, without giving effect to the conflict of laws provisions thereof.

16. Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada without regard to conflict of laws principles to the extent that such principles would require the application of laws other than the laws of the state of Nevada.

17. Arbitration. It is the goal of the parties to maintain, at all times, a constructive and positive relationship on the matters described above. However, should a dispute arise between the parties, the parties believe that a prompt and fair resolution is in the interests of all concerned. To this end, if any controversy or claim arises out of or relating to this Agreement in connection with the above described or any other matters, both parties waive any right to bring a court action or have a jury trial and agree that the dispute shall be submitted to binding arbitration to be conducted in Nevada before the American Arbitration Association ("AAA") in accordance with the Commercial Arbitration Rules of the AAA.

18. Counterparts. This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by the duly authorized officer of each of the Seller, Selling Owner and Buyer as of the day and year first above written.

STAR ENTERTAINMENT GROUP, INC.

**MEDIA PAL, INC.
D/B/A TRANZISTOR SYSTEMS, INC.
AND ITS SHAREHOLDERS**



By: _____
Name: Mike Clarkson
Title: Director



By: _____
Name: L. Joshua Eikov
Title: Chairman and CEO