STATE OF CALIFORNIA

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF CORPORATIONS

TO: Karl Wayne Harris, aka Carl Harris, Wayne Harris, and as Dwayne Harris, General Partner
   David Miller
   Cory Tatz
   Don Caesar, Senior Producer
   Children Family Films, Limited Partnership, dba Children Family Films and as Children’s
   Family Films™
   7095 Hollywood Blvd., Suite 533
   Hollywood, CA 90028
   and
   12241 Santa Monica, #167
   Los Angeles, CA 90025
   and
   3107 West 60th Street
   Los Angeles, CA 90045
   Darlene Karcy, President
   3D Corp. of Santa Clarita California, dba 3D Corp.
   5824 Corporate Way
   Valencia, CA

DESIST AND REFRAIN ORDER

(For violations of section 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, Karl Wayne Harris, also known as Carl Harris, Wayne Harris, and
   Dwayne Harris (“Harris”), was General Partner of Children Family Films, Limited Partnership, doing
   business as Children Family Films and Children’s Family Films™ (“Children Family Films”) located
   at 7095 Hollywood Blvd., Suite 533, Hollywood, California, 90028, and at 12241 Santa Monica,
   #167, Los Angeles, California 90025, and also operates at 3107 West 60th Street, Los Angeles,
   California 90045.

2. Children Family Films’ address at 12241 Santa Monica, #167, Los Angeles, California has
   used the purported zip code of 90043, however, the correct zip code for the address is 90025.
3. Although investors are told that Children Family Films is a limited partnership and the company contains the title “Limited Partnership” in its name, Children Family Films is not a company formed or recognized as a limited partnership or any other kind of business entity under any law of any state.

4. At all relevant times, David Miller (“Miller”) worked for Children Family Films to solicit investors.

5. At all relevant times, Cory Tatz (“Tatz”) worked for Children Family Films also to solicit investors.

6. At all relevant times, Don Caesar (“Caesar”) was the Senior Producer of Children Family Films.

7. At all relevant times, Darlene Karcy (“Karcy”) was President of 3D Corp. of Santa Clarita California, doing business as 3D Corp. (“3D Corp.”), purportedly located at 5824 Corporate Way, Valencia. 3D Corp. is not a company formed or recognized under any law of any state. In addition, 3D Corp.’s address is fictitious and does not exist. Investors are told that 3D Corp. has contracted with Children Family Films to distribute “their 10 film program with the 3D affect”.

8. Beginning in or about January 2, 2006, Harris, Miller, Tatz, Caesar, Karcy, Children Family Films and 3D Corp. offered or sold securities in the form of investment contracts of units of Children Family Films.

9. Through cold-calling and other means of general solicitation, Harris, Miller, Tatz, Caesar, Karcy, Children Family Films and 3D Corp. offered or sold units at $20,000 per unit, or fractionalized interests therein.

10. The purported purpose of the offering was to raise funds to produce “new film product for innovative distribution to Home Video, Cable and foreign markets”. Investors were told that Children Family Films was “seeking partners to share in the production costs, creative experience and considerable financial rewards.” Children Family Films is described as promoting “a new form of American movie entertainment nestled with all the whole hearted morals…”

11. Investors are told that the investment is guaranteed with the original investment returned within two months, and are also promised certain monthly returns for 32 to 50 months depending on
the amount of monies invested. Investors are told, “All of us here at Children Family Films ensure profitability on each and every one of our films because we don’t make any profits at all until our investors are returned 100% of their initial investment.”

12. These securities were offered or sold in this state in issuer transactions.

13. In connection with these offers and sales, Harris, Miller, Tatz, Caesar, Karcy, Children Family Films and 3D Corp. represented or omitted to disclose to investors that:

a. Children Family Films, Limited Partnership is not actually a limited partnership formed under any law of any state, nor has it been formed as any other kind of legal entity under any law of any state. Additionally, Children Family Films’ address of 7095 Hollywood Blvd, Suite 533 Hollywood, CA 90028 is a mail drop;

b. 3D Corp. of Santa Clarita California, doing business as 3D Corp. is not a business entity formed under any law of any state, and the address of 5824 Corporate Way Valencia is not an actual address that even exists;

c. Since 1986, Harris has a history of arrests and criminal convictions, serving jail and prison sentences in California for such crimes as selling or furnishing and possession and use of drugs, grand theft and theft. Some of Harris’ arrests and criminal convictions include:

- In or about October and November, 1988—arrested for grand theft auto and convicted of taking another’s vehicle;
- In or about December, 1989—arrested and convicted of possession of a controlled substance;
- In or about February, 1990—arrested and convicted of theft;
- In or about April, 1991—arrested and convicted of selling a controlled substance;
- In or about August, 1991—arrested and convicted of selling a controlled substance;
- In or about September, 1992—probation was revoked for burglary;
- In or about June, 1993—convicted for vehicle theft; and
- In or about March, 2001—convicted of selling and/or furnishing drugs;

d. The investment was “guaranteed” and that Harris would buy out any investor that requested a return of his or her principle money. Promised returns, however, were not made, and
when investors demanded a return of their monies, their demands were not answered and company phone numbers were thereafter disconnected.

Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that the units of Children Family Films, Limited Partnership, doing business as Children Family Films and as Children’s Family Films™, are securities subject to qualification under the California Corporate Securities Law of 1968 and are being or have been offered or sold without being qualified in violation of Corporations Code section 25110. Pursuant to section 25532 of the Corporate Securities Law of 1968, Karl Wayne Harris, also known as Carl Harris, Wayne Harris, and as Dwayne Harris, David Miller, Cory Tatz, Don Caesar, Darlene Karcy, Children Family Films, Limited Partnership, doing business as Children Family Films and as Children’s Family Films™, and 3D Corp. of Santa Clarita California, doing business as 3D Corp., are hereby ordered to desist and refrain from the further offer or sale in the State of California of securities, including but not limited to investment contracts in the form of units of Children Family Films, Limited Partnership, doing business as Children Family Films and as Children’s Family Films™, unless and until qualification has been made under the law. This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

Further, the California Corporations Commissioner is of the opinion that the securities of Children Family Films, Limited Partnership, doing business as Children Family Films and as Children’s Family Films™, were offered or sold in this state by means of written or oral communications which included an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of section 25401 of the Corporate Securities Law of 1968. Pursuant to section 25532 of the Corporate Securities Law of 1968, Karl Wayne Harris, also known as Carl Harris, Wayne Harris, and as Dwayne Harris, David Miller, Cory Tatz, Don Caesar, Darlene Karcy, Children Family Films, Limited Partnership, doing business as Children Family Films and as Children’s Family Films™, and 3D Corp. of Santa Clarita California, doing business as 3D Corp., are hereby ordered to desist and refrain from offering or selling or buying or offering to
buy any security in the State of California, including but not limited to investment contracts in the
form of units in Children Family Films, Limited Partnership, doing business as Children Family
Films and as Children’s Family Films™, by means of any written or oral communication which
includes an untrue statement of a material fact or omits to state a material fact necessary in order to
make the statements made, in the light of the circumstances under which they were made, not
misleading. This Order is necessary, in the public interest, for the protection of investors and
consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968.
Dated: April 1, 2009
Sacramento, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By
ALAN S. WEINGER
Acting Deputy Commissioner
Enforcement Division