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**STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS**

TO: Roman Novak and Radoslav Novak
Inter Reef LTD, also doing business as Profitable Sunrise
590A Kingsbury Road, Birmingham, United Kingdom B24 9ND

**DESIST AND REFRAIN ORDER
(For violations of section 25110 of the Corporations Code
and section 22100 of the California Financial Code)**

The Commissioner of Corporations finds that:

1. At all relevant times, Inter Reef LTD, also doing business as Profitable Sunrise (hereinafter collectively referred to as Profitable Sunrise) is a private limited corporation that was formed on September 13, 2011, in the United Kingdom. It has a registered address at 590A Kingsbury Road, Birmingham, United Kingdom B24 9ND. It maintains a website located at www.profitablesunrise.com which offers investment opportunities and loans over the internet and through regional marketing groups in the United States and California.

2. At all relevant times, Roman Novak and Radoslav Novak are brothers and the owners of Profitable Sunrise. Radoslav Novak is represented on the website to be a lawyer for Profitable Sunrise and is in charge of marketing.

3. Beginning in or about February 2013, Profitable Sunrise, Roman Novak and Radoslav Novak offered securities in this state by generally soliciting through the company's Internet website located at www.profitablesunrise.com. According to the website, Profitable Sunrise's "services are available in all countries and jurisdictions of the world." Through the website and a regional multilevel marketing program, Profitable Sunrise advertises that they are engaged in the business of making short term "hard money loans" to businesses in the United States and in other countries. Profitable Sunrise's website and affiliated regional marketing programs solicit investments of as little as \$10 dollars which are to be used to fund the hard money loans. The investments are represented to be "risk free" and "insured" and promise to pay investors returns on their investments of 1-2% or

1 more per business day with interest compounding. The Profitable Sunrise website offers at least 6
2 “investment plans” to investors, which are listed as follows:

3 A. “Starter Plan” that allows minimum investments of as little as \$10.00, and offers an
4 interest rate of 1.6% per business day with a term of 180 business days, compounding available and
5 principal returned upon maturity.

6 B. “Regular Plan” that requires a minimum investment of \$500.00, and offers an interest rate
7 of 1.8% per business day, with a term of 180 business days, compounding available and principal
8 returned upon maturity.

9 C. “Advanced Plan” that requires a minimum investment of \$2500.00, and offers an interest
10 rate of 2% per business day, with a term of 180 business days, compounding available and principal
11 returned upon maturity.

12 D. “Private Plan” that is available to groups only, with details to be discussed individually.

13 E. “Long Haul Plan” is claimed to be a time limited investment plan that any investor with a
14 minimum of a \$500.00 investment could participate in between November 1, 2012 and March 1,
15 2013 and which was for an investment period of 240 days from the date of the investor’s first deposit.
16 The exact wording of the website states “the interest rate this plan pays is 2.7% and the 100%
17 compounding rate is a mandatory during the entire plan. Half of the account principal accumulated in
18 the every Long Haul account principal will be available for withdrawal in the week before Easter
19 2013. This is what we call the Easter Gift.”

20 4. The website also claims that anyone who refers another investor to Profitable Sunrise will
21 receive 5% of the referred person’s investment in Profitable Sunrise as a reward plus a percentage of
22 their earnings. They also receive an additional 5% of any investment made by any new investors that
23 person later refers to Profitable Sunrise.

24 5. The investment plans offered by Roman Novak, Radoslav Novak and Inter Reef LTD
25 d.b.a. Profitable Sunrise are securities in the form of investment contracts. These securities were
26 offered for sale in this state in an issuer transaction. The Department of Corporations has not issued a
27 permit or other form of qualification authorizing any person to offer and sell these securities in this
28 state.

1 6. The Profitable Sunrise website also claims to offer short term loans to businesses in the
2 United States and in other countries and provides an on line application form. The “terms of service”
3 loan section of the website claims that Profitable Sunrise’s loan “services are available in all
4 countries and jurisdictions of the world” and claims to offer loan amounts from \$50,000.00 up to
5 \$12,500,000.00. While the interest rates on the loans are not clearly specified the loan webpage lists
6 2.2% and 2.6% at the top of the page. It later claims in the terms of service section that 1% interest is
7 charged to borrowers per business day on any unpaid amount of a loan.

8 7. Beginning in or about February 2013, Roman Novak, Radoslav Novak and Profitable
9 Sunrise indicated that they are engaged in making business loans through the website
10 www.profitablesunrise.com.

11 8. Financial Code section 22009 defines a finance lender as “any person who is engaged in
12 the business of making . . . commercial loans.”

13 9. Financial Code section 22502 defines a “commercial loan” as “a loan of a principal
14 amount of five thousand dollars (\$5,000) or more, or any loan under an open-end credit program,
15 whether secured by either real or personal property, or both, or unsecured, the proceeds of which are
16 intended by the borrower for use primarily for other than personal, family, or household purposes.”

17 10. The Commissioner has not issued a license to Roman Novak, Radoslav Novak or
18 Profitable Sunrise to engage in the business of finance lending as required by Financial Code section
19 22100.

20 Based upon the foregoing findings, the Commissioner of Corporations of the State of
21 California is of the opinion that investment programs offered by Roman Novak, Radoslav Novak and
22 Inter Reef LTD d.b.a. Profitable Sunrise are securities in the form of investment contracts. Those
23 securities have not been qualified under the California Corporate Securities Law of 1968, in violation
24 of section 25110 of the Corporations Code. Pursuant to section 25532 of the Corporate Securities
25 Law of 1968, Roman Novak, Radoslav Novak and Inter Reef LTD, d.b.a. Profitable Sunrise are
26 hereby ordered to desist and refrain from the further offer or sale in the State of California of
27 securities, including but not limited to investment contracts unless and until qualification has been
28 made under the law or unless exempt.

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Further, the Commissioner of Corporations is of the opinion that Roman Novak, Radoslav Novak and Inter Reef LTD, d.b.a. Profitable Sunrise have engaged in the business of a finance lender and/or broker in violation of Financial Code section 22100. Pursuant to Financial Code section 22712, Roman Novak, Radoslav Novak and Inter Reef LTD, d.b.a. Profitable Sunrise are hereby ordered to desist and refrain from engaging in the business of a finance lender or broker in the State of California without first obtaining a license from the Commissioner, or otherwise being exempt.

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 and the California Financial Code.

Dated: March 14, 2013
Sacramento, California

JAN LYNN OWEN
Commissioner of Corporations

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division