

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:

INTER REEF LTD d/b/a PROFITABLE SUNRISE)	ADMINISTRATIVE ORDER
ROMAN NOVAK)	NO. CD-2013- 0005
RADOSLAV NOVAK)	
MELTON MCCLANAHAN)	
ADAM YORK)	
<u>RESPONDENTS</u>)	

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities, into, within or from the state of Alabama, has determined as follows:

RESPONDENTS

1. INTER REEF, LTD d/b/a PROFITABLE SUNRISE ("I R LTD / PROFITABLE SUNRISE") is a private limited liability company formed on September 13, 2011, in the United Kingdom, with a business address of 590A Kingsbury Road, Birmingham, United Kingdom B24 9ND.

2. ROMAN NOVAK, ("NOVAK"), is represented to be the founder and owner of Profitable Sunrise, with a business address of 590A Kingsbury Road, Birmingham, United Kingdom B24 9ND.

3. RADOSLAV NOVAK, ("NOVAK"), is represented as the brother of Roman Novak as well as the attorney and the person responsible for marketing for Profitable Sunrise and an agent of Inter Reef LTD / Profitable Sunrise, with a business address of 590A Kingsbury Road, Birmingham, United Kingdom B24 9ND.

4. MELTON MCCLANAHAN ("MCCLANAHAN") is an agent of Inter Reef LTD / Profitable Sunrise, with a business address of 590A Kingsbury Road, Birmingham, United Kingdom B24 9ND, and a residential address of 3219 Riviera Court, Fairfield, California 94534-7126.

5. ADAM YORK ("YORK") is an agent of Inter Reef LTD / Profitable Sunrise, with a business address of 590A Kingsbury Road, Birmingham, United Kingdom B24 9ND.

STATEMENT OF FACTS

6. The Commission is in receipt of information that Inter Reef is conducting business under the name Profitable Sunrise and maintains the website <http://www.profitablesunrise.com>. The website is used to promote Profitable Sunrise investment program and disseminate information to potential investors regarding its various investment opportunities, which promise investor's risk-free returns of 1.6 percent to 2.7 percent per day, for periods ranging from 180 to 240 days.

7. The investigation determined that Roman Novak, Radoslav Novak and their company Inter Reef Ltd., operating as Profitable Sunrise, are promoting at least five investment plans, which purported to use invested money to finance "risk-free" business loans. They also claim all funds are insured against loss.

8. Profitable Sunrise investor participants are also afforded the option of participating in the investment ventures referral program. Each investor account has a personal referral link that can be posted on a website, blog or in the investors chosen social network(s). Based on referrals received through these links, the investor can generate additional compensation of 5% on all deposits made by individuals listed in their down line(s). The down line commissions are purported to be immediately converted into the investor account's main currency and credited to the account.

9. Respondents are offering the following five(5) investment plans through their website <http://www.profitablesunrise.com>:

- a. Starter Plan: The starter Plan requires a minimum investment of \$10.00. The plan offers an interest rate of 1.6% per business day, for an investment term of 180 business days. Compounding is available, and principal is returned upon maturity.
- b. Regular Plan: The Regular Plan requires a minimum investment of \$500.00. The Plan offers an interest rate of 1.8% per business day for an investment term of 180 business days. Compounding is available, and principal is returned upon maturity.
- c. Advanced Plan: The Advanced Plan requires a minimum investment of \$2,500.00.00. The Plan offers an interest rate of 2% per business day, for an investment term of 180 business days. Compounding is available, and principal is returned upon maturity.
- d. Private Plan: The Private Plan is available to groups only. All details are discussed individually.
- e. Long Haul Plan: The Long Haul Plan requires a minimum investment of \$500.00. The Plan has a duration period of 240 business days. Compounding is set at 100% and an interest rate of 2.35 to 2.7% per day.

10. Further investigation revealed that programs participants were instructed to wire money to financial institutions in Eastern Europe, including one bank identified as being in the Czech Republic.

11. Information from the website <http://www.profitablesunrise.com> can be viewed by anyone with internet access including residents of Alabama.

12. McClanahan touted the success of Profitable Sunrise through roughly ten (10) YouTube.com videos. McClanahan stated repeatedly that Profitable Sunrise was a safe and outstanding investment opportunity for making money. Specifically McClanahan claims:

- a. Profitable Sunrise is risk free
- b. Profitable Sunrise is a safe and profitable investment.
- c. Profitable Sunrise has 40 million in assets
- d. Profitable Sunrise is a charity arm of ("hard money lender institutions") that provide ("hard money lending to real estate investors").

e. For their support of the charity (investors) rent money to the organization, and in exchange investors receive a percentage of return for supporting the Charity.

f. Profitable Sunrise guarantees investors their principal and initial investment.

g. Profitable Sunrise is 100% a legitimate company in that he had spoken directly to Roman Novak.

13. York touted the success of Profitable Sunrise through YouTube.com videos. York stated repeatedly that Profitable Sunrise was a safe and outstanding investment opportunity for making money. Specifically, in the York video he made the following claims and presentation:

a. Profitable Sunrise is a legit company in that he has spoken directly to Roman Novak.

b. Profitable Sunrise promises great returns on investments.

c. Profitable Sunrise promises a daily compounding interest rate at 2.15%.

d. Profitable Sunrise promises investors can earn \$1000.00 a month in passive income.

e. Profitable Sunrise lends money to businesses throughout the US and Europe.

f. Earn passive income from day one when you invest and make money.

g. Demonstrated a method for opening an account on Profitable Sunrise Website.

h. Showed a spreadsheet that allegedly represented returns received based on daily compounding interest on his initial investments.

14. A review of the Commission's Registration Division files revealed no record of registration for INTER REEF / PROFITABLE SUNRISE, ROMAN NOVAK, RADOSLAV NOVAK, MELTON MCCLANAHAN and ADAM YORK as securities dealers, securities agent, investment advisor, or investment advisor representative in the state of Alabama.

15. A review of the Commission's registration Division files disclosed no record of registration, or any perfected exemption from registration of the securities offered by INTER REEF / PROFITABLE SUNRISE.

CONCLUSIONS OF LAW

16. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of a "security" includes any "note, stock, treasury stock... or / "investment contract." The "investment contracts" offered, by Respondents, are securities as defined in the Act.

17. Pursuant to Section 8-6-2(5), Code of Alabama 1975, an issuer is every person who proposes to issue, has issued or shall hereafter issue any security. Any person who acts for compensation or consideration as a promoter for or on behalf of a corporation, trust, unincorporated association or partnership of any kind to be formed shall be deemed to be an issuer. INTER REEF / PROFITABLE SUNRISE, ROMAN NOVAK, RADOSLAV NOVAK, MELTON MCCLANAHAN and ADAM YORK acted as issuers under the Act, by causing the offer and/or sale of securities into Alabama.

18. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful for any person to offer or sell any security in the state of Alabama unless: the security is registered under the Act; the security is exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11. The securities offered and/or sold by Respondents, to wit: investment contracts, issued by INTER REEF / PROFITABLE SUNRISE are neither registered, nor exempt from registration, in violation of the Act.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that are available to it under the Act.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Act.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the RESPONDENTS to make a timely request for hearing, or default of the RESPONDENTS, it is the intention of the Commission to impose sanctions upon the RESPONDENTS. Such sanctions may include, inter alia, an administrative assessment imposed on RESPONDENTS, an additional administrative assessment for investigative cost arising from the investigation of the violation(s) described herein against RESPONDENTS, and a permanent order to bar RESPONDENTS from participation in any securities related industry in the state of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that RESPONDENTS immediately CEASE AND DESIST from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 14th day of March, 2013.



ALABAMA SECURITIES COMMISSION
P. O. Box 304700
401 Adams Avenue, Ste. 280
Montgomery, AL 36130-4700
(334) 242-2984

BY:


JOSEPH P. BORG

Director