

**ADMINISTRATIVE PROCEEDING  
BEFORE THE  
SECURITIES COMMISSIONER OF MARYLAND**

IN THE MATTER OF: \*

INTER REEF LTD. d/b/a \*

PROFITABLE SUNRISE \*

and \*

ROMAN NOVAK \*

and \* Securities Division No. 2013-0055

RADOSLAV NOVAK, \*

RESPONDENTS. \*

\* \* \* \* \*

**FINAL ORDER TO CEASE AND DESIST**

WHEREAS, the Maryland Securities Commissioner (the “Commissioner”), pursuant to the authority granted in section 11-701 of the Maryland Securities Act, Title 11, Corporations and Associations Article, Annotated Code of Maryland (2007 Repl. Vol. & Supp. 2012) (the “Securities Act”), initiated an investigation into the activities of Inter Reef Ltd. d/b/a Profitable Sunrise, Roman Novak, and Radoslav Novak (collectively “Respondents”); and

WHEREAS, on the basis of that investigation the Securities Commissioner (“Commissioner”) found grounds to allege that Respondents had violated and were about to violate certain registration and anti-fraud provisions, sections 11-301, 11-401(a), 11-402(a), and 11-501, of the Act; and

WHEREAS, acting in the public interest, the Commissioner issued a Summary Order To Cease And Desist to Respondents, ordering Respondents to immediately cease and desist from soliciting, offering, or selling investments in or from Maryland, and to show cause why a fine of up to \$5,000 per violation should not be imposed and why Respondents should not permanently be barred from engaging in the securities business in Maryland, pending a hearing in this matter or until such time as the Commissioner modifies or rescinds the Order; and

WHEREAS, that Order gave Respondents notice of opportunity for a hearing in this matter, if requested in writing within fifteen days of service of that Order, and gave notice that if Respondents did not request a hearing, a Final Order To Cease And Desist would be issued imposing a bar from engaging in securities transactions on behalf of others and a statutory civil penalty; and

WHEREAS, no Respondent has filed an Answer or requested a hearing;

NOW, THEREFORE, the Commissioner finds it to be in the public interest to issue this Final Order To Cease And Desist, and THE COMMISSIONER FINDS AND ORDERS:

### **I. JURISDICTION**

1. The Commissioner has jurisdiction in this proceeding pursuant to section 11-701.1 of the Securities Act.

### **II. RESPONDENTS**

2. Inter Reef Ltd. d/b/a Profitable Sunrise (“Profitable Sunrise”) is a private limited company formed in September 2011 in the United Kingdom. Profitable Sunrise’s last known address is 590A Kingsbury Road, Birmingham, United Kingdom, B24 9ND.

3. Roman Novak (“Novak”) is the founder and principal of Profitable Sunrise. His last known address is in Birmingham, United Kingdom.

4. Radoslav Novak (“Radoslav”) is the brother of Roman Novak and an associate of Profitable Sunrise. His last known address is in Birmingham, United Kingdom.

### **III. STATEMENT OF FACTS**

5. Inter Reef Ltd. At all relevant times conducted an online investment business under the name Profitable Sunrise, and maintained the website <http://www.profitablesunrise.com>. Respondents used that website to promote their business and to disseminate information to potential investors regarding investment

opportunities offered by Respondents.

6. A domain name search identifies Inter Reef as the Registrant Contact, together with Respondent Radoslav, for the domain name [profitablesunrise.com](http://profitablesunrise.com). Radoslav also is listed as the Administrative Contact, Technical Contact, and Billing Contact for that domain name.

7. Information contained on the above website identifies Roman Novak as the owner and founder of Profitable Sunrise.

8. Information contained on the above website identifies Radoslav Novak as the attorney and the person responsible for the marketing of Profitable Sunrise.

9. Profitable Sunrise presents itself as a “hard money lender,” providing short-term loans to businesses throughout the United States.

10. Through [www.profitablesunrise.com](http://www.profitablesunrise.com), Respondents offered 5 “investment plans:”

a. Starter Plan – The Starter Plan requires a minimum investment of \$10.00, and offers an interest rate of 1.6% per business day, with an investment term of 180 business days.

b. Regular Plan – The Regular Plan requires a minimum investment of \$500.00, and offers an interest rate of 1.8% per business day, with an investment term of 180 business days.

c. Advanced Plan – The Advanced Plan requires a minimum investment of \$2,500.00, and offers an interest rate of 2% per business day, with an investment term of 180 business days.

d. Private Plan – The Private Plan is available to groups only, and details are discussed individually.

e. Long Haul Plan – The Long Haul Plan requires a minimum investment of \$500.00, with a duration of 240 business days, compounding at 100%, and an interest rate of 2.35 to 2.7%.

11. Funds invested supposedly are used by Respondents to fund short-term loans to businesses. The loans would be repaid to Profitable Sunrise by the borrower with interest, creating the profit from which the investor’s interest rate is paid by Respondents. This is a passive investment.

12. The website also promotes a “referral” program, through which Respondents promise to “pay 5% on all deposits made by [investor’s] downlines.”

13. Investors who become “Regional Representatives” can create their own investment group, then can participate in the Profitable Sunrise “Private Plan” with a minimum \$500,000 investment.

14. Profitable Sunrise represented to potential investors that “all funds deposited with us are insured against loss...” and “our investments are insured by a leading investment bank.” Investments are promoted as “risk-free,” promising a certain rate of return and “no chance of default.”

15. The website stated that “we have been doing this for over 6 years now ...” but, in reality, Inter Reef Ltd. was not even formed until September 2011.

16. The website utilized biblical quotations throughout and religious imagery to bolster its message in a possible attempt at a religious familiarity, and claimed that “[i]f you follow us, you will praise the Lord that he led you here.”

17. The website adds that Respondents allocate “a significant amount of our earnings to charity.”

18. The Profitable Sunrise website with its solicitation is available to anyone with internet access, including residents of Maryland. The site contains contact information for those wishing to pursue investing.

19. Reportedly, potential investors who respond to the site with interest are sent bank wire transfer information, and instructions to wire the invested amount to a bank in the Czech Republic.

20. Respondents’ “investment plans” are “securities” in the form of an investment contract, evidence of indebtedness, or participation in a profit-sharing agreement.

21. Respondents’ website functions as both an offer to sell an investment contract, and a solicitation for an investor’s offer to purchase an investment contract from Respondents.

22. The Securities Division has no record of securities registration for an offering by the name Inter Reef Ltd. or Profitable Sunrise. No claim of exemption or status as a federal covered security has been

made with the Division for any such offering.

23. Respondents Inter Reef Ltd. d/b/a Profitable Sunrise, Roman Novak, and Radoslav Novak are not registered with the Securities Division as a broker-dealer, securities agent, investment adviser or investment adviser representative.

24. The Profitable Sunrise website, available to any and every potential Maryland investor, contains inadequate disclosure of the registration requirements of the offering, of the identity and history of management, and of any prior company history or of the use of invested funds.

#### **IV. CONCLUSIONS OF LAW**

25. Respondents violated section 11-501 of the Securities Act by offering or selling unregistered securities in Maryland in the form of promissory notes or investment contracts, for which no claim of preemption or exemption has been filed.

26. Respondents violated section 11-401(a) of the Act by transacting business in the offer or sale of securities in Maryland as a broker-dealer or securities agent, without being registered pursuant to the Act.

27. Respondents violated section 11-402(a) of the Act by employing unregistered agents for the offer or sale of securities in Maryland.

28. Respondents violated section 11-301 of the Act by making material omissions and misrepresentations in connection with the offer or sale of securities.

#### **V. ORDER**

##### **IT IS HEREBY ORDERED THAT:**

29. Respondents, and each of their employees, agents, and all persons acting under their control, permanently cease and desist from offering or selling securities in or from Maryland in violation of the Securities Act, from offering and selling any securities whether registered or exempt from registration, and

from engaging in any transaction exempted under the Act; and it is further ORDERED that

30. Respondents are permanently barred from engaging in the securities business in Maryland for or on behalf of others, or from acting as a principal or consultant in any entity so engaged; and it is further ORDERED that

31. Respondents, jointly and severally, are assessed a civil penalty of \$25,000.00 for violations of the Securities Act pursuant to section 11-701.1(b) of the Act, payable by certified check to the Office of the Attorney General.

#### **VI. JURISDICTION RETAINED**

32. Jurisdiction is retained by the Commissioner for the purpose of enabling any party to this Order to apply for such further orders and directions as may be necessary or appropriate for the construction or enforcement of this Order.

#### **VII. NOTICE OF APPEAL RIGHTS**

33. Pursuant to the Code of Maryland Regulations, COMAR 02.02.06.24, each Respondent has the right to file an appeal of this Order with the circuit court of Maryland. Any appeal must be filed within 30 days from the date this Order is mailed by the Division.

**IT IS SO ORDERED:**

**Commissioner's Signature is  
on File with Original Document**

MELANIE SENTER LUBIN  
SECURITIES COMMISSIONER

April 26, 2013