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

TO: Harold D. Rose, Jr.
a.k.a. Butch Rose, Jr., individually and
doing business as Homies Cinnamon Rolls Place
410 West A Street, #1615
San Diego, California 92101

Homies Cinnamon Rolls, Inc., a California Corporation
735 Santa Clara Place
San Diego, California 92102

Homies Cinnamon Rolls, Inc.
P.O. Box 6511
Oceanside, California 92058-6511

DESIST AND REFRAIN ORDER
(For violations of sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Harold D. Rose Jr., a.k.a. Butch Rose, has been an officer of Homies Cinnamon Rolls, Inc., located at 401 West A Street, #1615, San Diego, California 92101. He has also done business as “Homies Cinnamon Rolls Place”
2. Homies Cinnamon Rolls, Inc., is a California corporation filed July 23, 2001. Its registered office address is 401 West A Street, # 1615, San Diego, California 92101.
3. Edward Fox at 735 Santa Clara Place, San Diego, California, is the registered agent for service of process for Homies Cinnamon Rolls, Inc.
4. From 1999-2003 Harold R. Rose, a.k.a Butch Rose (“Rose”), placed ads in the San Diego Union Tribune in the money wanted section. The various ads stated, “35k needed now. Repay 42K in 12 months;” “10K with return of \$1250 /mn for 10 months or 5k with return of \$700 for 10

1 Months;” “35K needed now repay \$42 in 12 months.” The ads referred potential investors to a
2 website www.homies.cc. The website referred potential investors to call Rose for investment
3 opportunities in Homies Cinnamon Rolls, Inc. (“Homies”).

4 5. On or about September 9, 1999, Rose provided a promissory note and profit-sharing
5 agreement to an investor who responded to an ad in the paper. The note and profit-sharing agreement
6 provide that the investor would provide Rose \$10,000, and that in exchange for \$5,000 of the
7 investment Rose would pay the investor \$330 per month for twenty months. The note and profit-
8 sharing agreement further stated that in exchange for the remaining \$5,000 of the investment, Rose
9 would pay the investor 10% of the net profits of Homies for twenty months. The investor received
10 two checks totaling \$2,660 from Rose and was then told by Rose that he would not pay any more.

11 6. On or about July 14, 2002 and February 1, 2003, Rose continued to place newspaper ads in
12 the San Diego Union Tribune which advertised investment opportunities and referred investors to the
13 website www.Homies.cc. Both the newspaper ads and the website omitted material facts about the
14 investment opportunities, including the fact that Rose and Homies had defaulted on investments
15 made by previous investors.

16 7. The Department of Corporations has not issued any permit, license or other form of
17 authorization, approval or qualification to allow any person to offer and sell promissory notes or
18 interests in profit-sharing agreements in Homies Cinnamon Rolls, Inc.

19 Based upon the foregoing findings, the California Corporations Commissioner is of the
20 opinion that the promissory notes and interests in profit-sharing agreements in Homies Cinnamon
21 Rolls, Inc., constitute securities which are subject to qualification under the California Corporate
22 Securities Law of 1968, and that these securities have been and are being offered and sold without
23 being so qualified.

24 The California Corporations Commissioner is of the further opinion that the promissory notes
25 and interests in profit-sharing agreements in Homies Cinnamon Rolls, Inc., have been and are being
26 offered in this State by means of written and oral communications, which include untrue statements
27 or omissions of material facts, in violation of section 25401 of the California Corporate Securities
28 Law of 1968.

1 Pursuant to Corporations Code section 25532, Harold R. Rose, Jr., a.k.a. Butch Rose, Jr., and
2 Homies Cinnamon Rolls, Inc., are hereby ordered to desist and refrain from the further offer or sale
3 in the State of California of promissory notes or interests in profit-sharing agreements in Homies
4 Cinnamon Rolls, Inc., unless and until qualification has been made under the California Corporate
5 Securities Law.

6 Pursuant to Corporations Code section 25532, Harold R. Rose, Jr., a.k.a. Butch Rose, Jr., and
7 Homies Cinnamon Rolls, Inc., are hereby further ordered to desist and refrain from the further offer
8 or sale in the State of California of promissory notes or interests in profit-sharing agreements in
9 Homies Cinnamon Rolls, Inc., by means of any written or oral communications which includes
10 untrue statements or omissions of material facts.

11
12 This Order is necessary, in the public interest, for the protection of investors and consistent
13 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

14
15 Dated: October 12, 2004
16 Sacramento, California

17 William P. Wood
18 California Corporations Commissioner

19
20 By _____
21 VIRGINIA JO DUNLAP
22 Deputy Commissioner
23 Enforcement and Legal Services Division
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