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

TO: Alton Perkins
Sunburst Holding Corporation
10925 David Taylor Drive, Suite 100
Charlotte, North Carolina 28262

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

The California Corporations Commissioner finds that:

1. Sunburst Holding Corporation, formerly Blackstocks Holding Corporation and Blackstocks Development Corporation, was incorporated as a Delaware Corporation in June 2002. Currently it has a business address of 10925 David Taylor Drive, Suite 100, Charlotte, North Carolina 28262. Alton Perkins is, and at all relevant times was, the CEO of Sunburst Holding Corporation.

2. Beginning in at least May 2003, Sunburst Holding Corporation and Alton Perkins have offered and sold securities in the form of stock.

3. The purported purpose of the solicitation has been to finance art-related activities.

4. Sunburst Holding Corporation and Alton Perkins have engaged in general solicitations to offer these securities for sale to the public through the Internet on the website www.williamverdault.com.

5. These securities were offered and sold in this state in issuer transactions. The Department of Corporations has not issued a permit or other form of qualification authorizing any person or entity to offer and sell these securities in this state.

6. In connection with these offers and sales Sunburst Holding Corporation and Alton Perkins have omitted to disclose material facts, specifically that on August 31, 2000 Alton Perkins pled nolo contendere to felony counts relating to an indictment for fraudulent misappropriation of

1 funds in a fiduciary capacity in the Circuit Court for Prince George’s County in the state of
2 Maryland, Case No. CT991963X, and received a five year suspended sentence.

3 Based on the forgoing findings, the California Corporations Commissioner is of the opinion
4 that investments offered and sold by Sunburst Holding Corporation and Alton Perkins constitute
5 securities, which are subject to qualification under the California Corporate Securities Law of 1968,
6 and that these securities have been and are being offered without being qualified, and are not exempt,
7 in violation of Corporations Code section 25110.

8 Pursuant to Corporations Code section 25532, Sunburst Holding Corporation and Alton
9 Perkins are hereby ordered to desist and refrain from the further offer or sale in the State of California
10 of securities, including but not limited to stock, unless and until qualification has been made under
11 the law or unless exempt.

12 Based on the forgoing findings, the California Corporations Commissioner is of the further
13 opinion that securities were offered by means of written or oral communications that failed to
14 disclose material facts in violation of 25401 of the Corporations Code.

15 Pursuant to Corporations Code section 25532, Sunburst Holding Corporation and Alton
16 Perkins are hereby ordered to desist and refrain from offering or selling or buying or offering to buy
17 securities in this state, including but not limited to stock, by means of any written or oral
18 communication which includes an untrue statement of a material fact or omits to state a material fact
19 necessary in order to make the statements made, in light of the circumstances under which they are
20 made, not misleading.

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

23 Dated: March 21, 2008
24 Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

25
26
27 By _____
ALAN S. WEINGER
28 Lead Corporations Counsel