

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: ROSEWOOD ENERGY, INC.,
its officers and directors, agents, employees, affiliates,
successors and assigns.

FILE NO. 0200040

ORDER OF PROHIBITION

TO RESPONDENT: Rosewod Energy, Inc.
 3255 Wilshire Blvd., Ste. 1004
 Los Angeles, CA 90010

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on June 19th, 2003 temporarily prohibiting Respondent from offering or selling securities in the State of Illinois until further order of the Secretary of State.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ICS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Temporary Order shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, Respondent has failed to request on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and Respondent is hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duty authorized representatives, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's Final Findings of Fact as follows:

1. That Rosewod Energy, Inc., a Nevada corporation (hereinafter "Respondent"), maintains a business address at 3255 Wilshire Blvd., Ste. 1004, Los Angeles, CA 90010.
2. That during March and April, 2001, or thereabouts, a representative of Respondent, cold-called at least one Illinois resident ("the Investor") offering to

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sell working interest participation units in the James Coffee Prospect Lease, Russell County, Kentucky, (the "Offering").

3. That subsequent to the foregoing telephone solicitation, Respondents caused to be sent to the Investor Subscription instructions, a Participation Agreement, a Confidential Private Placement Memorandum, Offering Summary (the "Offering Documents") for the Offering.
4. That the Investor on April 13, 2001, sent his check in the amount of ten thousand (\$10, 000.00) dollars as payment for one participation unit along with the executed documents to Respondent with the Fedex pre-printed, bill recipient Airbill provided by Respondent, the receipt of which was acknowledged.
5. That the activities described in paragraphs 2 and 3 above constitute the offer and sale of a security and therefore a security as those terms are defined in Sections 2.1, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
6. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
7. That Respondent failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and that as a result the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
8. That Section 12.A of the Act provides, inter alia, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
9. That Section 12.D of the Act provides, inter alia, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.

WHEREAS, the Secretary of State by and through his duly authorized representative, has adopted the Conclusion of Law contained in the Temporary Order as the Secretary of State Conclusion of Law, as follows:


That by virtue of the foregoing, Respondent have violated Sections 12.A and 12.D of the Act.

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NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent Rosewood Energy, Inc., its directors, agents, employees, affiliates, successors and assigns, are permanently PROHIBITED from offering or selling securities in the State of Illinois.

Dated: This 11th day of August 2003.


JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of Class 4 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, 735 ILCS 5/3-101 et seq. And the Rules and Regulations of the Illinois Securities Act (14 Ill. Admin. Code, Ch. I, sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:

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