

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

TEMPORARY ORDER OF PROHIBITION

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

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

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 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 and 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,

Temporary Order of Prohibition

- 2 -

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.
10. That by virtue of the foregoing, Respondent have violated Sections 12.A and 12.D of the Act.
11. That the aforementioned findings are based upon credible evidence.
12. That Section 11.F (2) of the Act provides, inter alia, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
13. That the entry of this Temporary Order prohibiting Respondent, or its officers and directors, agents, affiliates, and employees, from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent is prohibited from offering or selling securities in or from this State until the further Order of the Secretary of State.


Temporary Order of Prohibition

- 3 -

NOTICE is hereby given that Respondent may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 19th day of June 2003.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Samuel F. Freiman
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
312-793-3384