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

**TO:** Karl Wayne Harris, aka Carl Harris, Wayne Harris, and as Dwayne Harris, General Partner  
David Miller  
Cory Tatz  
Don Caesar, Senior Producer  
Children Family Films, Limited Partnership, dba Children Family Films and as Children’s  
Family Films™  
7095 Hollywood Blvd., Suite 533  
Hollywood, CA 90028  
  
and  
12241 Santa Monica, #167  
Los Angeles, CA 90025  
  
and  
3107 West 60<sup>th</sup> Street  
Los Angeles, CA 90045  
  
Darlene Karcy, President  
3D Corp. of Santa Clarita California, dba 3D Corp.  
5824 Corporate Way  
Valencia, CA

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

The California Corporations Commissioner finds that:

1. At all relevant times, Karl Wayne Harris, also known as Carl Harris, Wayne Harris, and Dwayne Harris (“Harris”), was General Partner of Children Family Films, Limited Partnership, doing business as Children Family Films and Children’s Family Films™ (“Children Family Films”) located at 7095 Hollywood Blvd., Suite 533, Hollywood, California, 90028, and at 12241 Santa Monica, #167, Los Angeles, California 90025, and also operates at 3107 West 60<sup>th</sup> Street, Los Angeles, California 90045.
2. Children Family Films’ address at 12241 Santa Monica, #167, Los Angeles, California has used the purported zip code of 90043, however, the correct zip code for the address is 90025.

1 3. Although investors are told that Children Family Films is a limited partnership and the  
2 company contains the title “Limited Partnership” in its name, Children Family Films is not a  
3 company formed or recognized as a limited partnership or any other kind of business entity under any  
4 law of any state.

5 4. At all relevant times, David Miller (“Miller”) worked for Children Family Films to solicit  
6 investors.

7 5. At all relevant times, Cory Tatz (“Tatz”) worked for Children Family Films also to solicit  
8 investors.

9 6. At all relevant times, Don Caesar (“Caesar”) was the Senior Producer of Children Family  
10 Films.

11 7. At all relevant times, Darlene Karcy (“Karcy”) was President of 3D Corp. of Santa Clarita  
12 California, doing business as 3D Corp. (“3D Corp.”), purportedly located at 5824 Corporate Way,  
13 Valencia. 3D Corp. is not a company formed or recognized under any law of any state. In addition,  
14 3D Corp.’s address is fictitious and does not exist. Investors are told that 3D Corp. has contracted  
15 with Children Family Films to distribute “their 10 film program with the 3D affect”.

16 8. Beginning in or about January 2, 2006, Harris, Miller, Tatz, Caesar, Karcy, Children Family  
17 Films and 3D Corp. offered or sold securities in the form of investment contracts of units of Children  
18 Family Films.

19 9. Through cold-calling and other means of general solicitation, Harris, Miller, Tatz, Caesar,  
20 Karcy, Children Family Films and 3D Corp. offered or sold units at \$20,000 per unit, or  
21 fractionalized interests therein.

22 10. The purported purpose of the offering was to raise funds to produce “new film product for  
23 innovative distribution to Home Video, Cable and foreign markets”. Investors were told that  
24 Children Family Films was “seeking partners to share in the production costs, creative experience and  
25 considerable financial rewards.” Children Family Films is described as promoting “a new form of  
26 American movie entertainment nestled with all the whole hearted morals...”

27 11. Investors are told that the investment is guaranteed with the original investment returned  
28 within two months, and are also promised certain monthly returns for 32 to 50 months depending on

1 the amount of monies invested. Investors are told, “All of us here at Children Family Films ensure  
2 profitability on each and every one of our films because we don’t make any profits at all until our  
3 investors are returned 100% of their initial investment.”

4 12. These securities were offered or sold in this state in issuer transactions.

5 13. In connection with these offers and sales, Harris, Miller, Tatz, Caesar, Karcy, Children Family  
6 Films and 3D Corp. represented or omitted to disclose to investors that:

7 a. Children Family Films, Limited Partnership is not actually a limited partnership  
8 formed under any law of any state, nor has it been formed as any other kind of legal entity under any  
9 law of any state. Additionally, Children Family Films’ address of 7095 Hollywood Blvd, Suite 533  
10 Hollywood, CA 90028 is a mail drop;

11 b. 3D Corp. of Santa Clarita California, doing business as 3D Corp. is not a business  
12 entity formed under any law of any state, and the address of 5824 Corporate Way Valencia is not an  
13 actual address that even exists;

14 c. Since 1986, Harris has a history of arrests and criminal convictions, serving jail and  
15 prison sentences in California for such crimes as selling or furnishing and possession and use of  
16 drugs, grand theft and theft. Some of Harris’ arrests and criminal convictions include:

- 17 • In or about October and November, 1988—arrested for grand theft auto and convicted  
18 of taking another’s vehicle;
- 19 • In or about December, 1989—arrested and convicted of possession of a controlled  
20 substance;
- 21 • In or about February, 1990—arrested and convicted of theft;
- 22 • In or about April, 1991—arrested and convicted of selling a controlled substance;
- 23 • In or about August, 1991—arrested and convicted of selling a controlled substance;
- 24 • In or about September, 1992—probation was revoked for burglary;
- 25 • In or about June, 1993—convicted for vehicle theft; and
- 26 • In or about March, 2001—convicted of selling and/or furnishing drugs;

27 d. The investment was “guaranteed” and that Harris would buy out any investor that  
28 requested a return of his or her principle money. Promised returns, however, were not made, and

1 when investors demanded a return of their monies, their demands were not answered and company  
2 phone numbers were thereafter disconnected.

3         Based upon the foregoing findings, the California Corporations Commissioner is of the  
4 opinion that the units of Children Family Films, Limited Partnership, doing business as Children  
5 Family Films and as Children's Family Films™, are securities subject to qualification under the  
6 California Corporate Securities Law of 1968 and are being or have been offered or sold without being  
7 qualified in violation of Corporations Code section 25110. Pursuant to section 25532 of the  
8 Corporate Securities Law of 1968, Karl Wayne Harris, also known as Carl Harris, Wayne Harris, and  
9 as Dwayne Harris, David Miller, Cory Tatz, Don Caesar, Darlene Karcy, Children Family Films,  
10 Limited Partnership, doing business as Children Family Films and as Children's Family Films™, and  
11 3D Corp. of Santa Clarita California, doing business as 3D Corp., are hereby ordered to desist and  
12 refrain from the further offer or sale in the State of California of securities, including but not limited  
13 to investment contracts in the form of units of Children Family Films, Limited Partnership, doing  
14 business as Children Family Films and as Children's Family Films™, unless and until qualification  
15 has been made under the law. This Order is necessary, in the public interest, for the protection of  
16 investors and consistent with the purposes, policies, and provisions of the Corporate Securities Law  
17 of 1968.

18         Further, the California Corporations Commissioner is of the opinion that the securities of  
19 Children Family Films, Limited Partnership, doing business as Children Family Films and as  
20 Children's Family Films™, were offered or sold in this state by means of written or oral  
21 communications which included an untrue statement of a material fact or omitted to state a material  
22 fact necessary in order to make the statements made, in the light of the circumstances under which  
23 they were made, not misleading, in violation of section 25401 of the Corporate Securities Law of  
24 1968. Pursuant to section 25532 of the Corporate Securities Law of 1968, Karl Wayne Harris, also  
25 known as Carl Harris, Wayne Harris, and as Dwayne Harris, David Miller, Cory Tatz, Don Caesar,  
26 Darlene Karcy, Children Family Films, Limited Partnership, doing business as Children Family  
27 Films and as Children's Family Films™, and 3D Corp. of Santa Clarita California, doing business as  
28 3D Corp., are hereby ordered to desist and refrain from offering or selling or buying or offering to

1 buy any security in the State of California, including but not limited to investment contracts in the  
2 form of units in Children Family Films, Limited Partnership, doing business as Children Family  
3 Films and as Children's Family Films™, by means of any written or oral communication which  
4 includes an untrue statement of a material fact or omits to state a material fact necessary in order to  
5 make the statements made, in the light of the circumstances under which they were made, not  
6 misleading. This Order is necessary, in the public interest, for the protection of investors and  
7 consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

8 Dated: April 1, 2009  
9 Sacramento, California

10 PRESTON DuFAUCHARD  
11 California Corporations Commissioner

12  
13 By \_\_\_\_\_  
14 ALAN S. WEINGER  
15 Acting Deputy Commissioner  
16 Enforcement Division