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

TO: Manmohan (Mo) Singh Biring, M.D. File No. 993-5066
HealthWest, Inc.
9025 Wilshire Blvd., Suite 400
Beverly Hills, California 90211

DESIST AND REFRAIN ORDER

(For violations of sections 31110 and 31201 of the Corporations Code)

The California Corporations Commissioner finds that:

1. HealthWest, Inc. is a California corporation that was formed on October 15, 2002. Its principal place of business is 9025 Wilshire Blvd., Suite 400, Beverly Hills, California 90211.

2. Manmohan (Mo) Singh Biring, M.D. is the founder and chairman of HealthWest, Inc. He is also its majority, if not sole, shareholder.

3. On August 13, 2003, HealthWest, Inc. filed an application pursuant to Corporations Code section 31111 for registration of an offer to sell franchises for Inaara Medspa units. Prior to that date, HealthWest, Inc. sold franchises to six non-physician California residents to operate medspas without

1 having registered the franchise offer as required by Corporations code section 31110. Subsequent to
2 that date, HealthWest, Inc. continued to offer and sell purported “licenses” in California for the
3 operation of medspas to non-physician California residents by means of advertisements stating “Own
4 a Prestigious Business in the Medical Industry Without a Medical Background” and representing that
5 “A medical background is completely unnecessary.” In fact, however, the services offered by the
6 medspas, including laser hair removal, Intense Pulse Light treatments, Botox treatments and
7 microdermabrasion, constitute medical services under California law. The owner of a medspa is
8 therefore subject to the Medical Practice Act, Business and Professions Code section 2052, which
9 provides that:

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11 [A]ny person who practices or attempts to practice, or who advertises or holds himself or
12 herself out as practicing...[medicine] without having at the time of so doing a valid,
13 unrevoked, or unsuspended certificate...is guilty of a public offense, punishable by a fine not
14 exceeding ten thousand dollars (\$10,000), by imprisonment in the state prison, by
15 imprisonment in a county jail not exceeding one year, or by both the fine and either
16 imprisonment.

17
18 4. Although HealthWest has referred to the business opportunities it has been selling since
19 August 13, 2003 as “licenses” rather than franchises, the license agreements include options for the
20 future purchase of franchises which constitute offers to sell franchises within the meaning of
21 Corporations Code sections 31018(b) and 31110. In addition, in at least one case the purported
22 “license” that was sold was in fact a franchise.

23
24 5. The offer of franchises by HealthWest, Inc. in California has not been registered under the
25 Franchise Investment Law and is not exempted under Chapter 1, beginning with Corporations Code
26 section 31100, of that law.

1 Based upon the foregoing findings, the California Corporations Commissioner is of the
2 opinion that Manmohan (Mo) Singh Biring and HealthWest, Inc. have offered and sold franchises in
3 California that were subject to registration under the Franchise Investment Law without the offers
4 first being registered, in violation of Corporations Code section 31110. The California Corporations
5 Commissioner is of the further opinion that Manmohan (Mo) Singh Biring and HealthWest, Inc. have
6 offered and sold franchises in California by means of communications which included untrue
7 statements of material fact and which omitted to state material facts necessary in order to make the
8 statements made, in light of the circumstances under which they were made, not misleading, in
9 violation of Corporations Code section 31201. Pursuant to section 31402 of the Corporations Code,
10 Manmohan (Mo) Singh Biring and HealthWest, Inc. are hereby ordered to desist and refrain from the
11 further offer or sale of medspa franchises unless and until the offers have been duly registered under
12 the Franchise Investment Law.

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14 This Order is necessary, in the public interest, for the protection of investors and consistent
15 with the purposes, policies and provisions of the Franchise Investment Law.

16
17 Dated: July 16, 2004
18 Los Angeles, California

19 WILLIAM P. WOOD
20 California Corporations Commissioner

21
22 By _____
23 ALAN WEINGER
24 Supervising Counsel
25 Enforcement and Legal Services Division