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

TO: Jill Dailey McIntosh, President
The Dailey Method, LLC
11 First Street
Corte Madera, CA 94925

DESIST AND REFRAIN ORDER

(For violations of section 31110 of the Corporations Code)

The California Corporations Commissioner finds that:

1. The Dailey Method, LLC (“The Dailey Method”) is a California limited liability company, that was formed on December 20, 2004. Its principal place of business is 11 First Street, Corte Madera, CA 94925. Jill Dailey McIntosh is the President of The Dailey Method. The company maintains a website at www.thedaileymethod.com.

2. Beginning in 2005, The Dailey Method offered and sold franchises, pursuant to “License Agreements”, in the state of California. The “licenses” offered and sold by The Dailey Method are franchises within the meaning of California Corporations Code section 31005. The “license agreement” grants the franchisee the right to engage in the business of offering and selling services, specifically the ownership and operation of an exercise studio providing an exercise program called “The Dailey Method”, pursuant to a prescribed marketing plan and system, including but not limited to designated proprietary exercises; instructional manuals; training sessions; business and marketing consultations; a right on the part of The Dailey Method to inspect the exercises and studio for adherence to “licensed materials”; a right on the part of the franchisee to use The Dailey Method templates for advertising, business cards, and exterior signage; and a right to exclusive franchise territories. The “licenses” are substantially associated with the trade name “The Dailey Method”. In addition, in order to enter into the business, the franchisee is required to pay The

1 Dailey Method a franchise fee of approximately \$12, 500 and royalty payments of 3 to 4 percent of
2 the franchisee's gross revenues.

3 3. The offer and sale of franchises by The Dailey Method in California has not been
4 registered under the Franchise Investment Law and are not exempted under Chapter 1 of that law,
5 beginning with Corporations Code section 31100.

6 Based upon the foregoing findings, the California Corporations Commissioner is of the
7 opinion that The Dailey Method, LLC has offered and sold franchises in California that were subject
8 to registration under the Franchise Investment Law without the offers and sales first being registered,
9 in violation of Corporations Code section 31110. Pursuant to section 31402 of the Corporations
10 Code, The Dailey Method, LLC, is hereby ordered to desist and refrain from the further offer or sale
11 of exercise studio franchises unless and until the offers have been duly registered under the Franchise
12 Investment Law or are exempt.

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

15 Dated: August 5, 2009
16 Los Angeles, California

17 PRESTON DuFAUCHARD
18 California Corporations Commissioner

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20 By _____
21 ALAN S. WEINGER
22 Deputy Commissioner
23 Enforcement Division
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