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8 Attorneys for Complainant

9 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
10 OF THE STATE OF CALIFORNIA  
11

12 In the Matter of: ) FIL ORG ID.: 99992  
13 )  
14 THE COMMISSIONER OF BUSINESS ) CITATION INCLUDING:  
OVERSIGHT, )  
15 ) (1) DESIST AND REFRAIN ORDER  
Complainant, )  
16 ) (2) ASSESSMENT OF ADMINISTRATIVE  
v. ) PENALTIES  
17 )  
18 TOM N TOMS FRANCHISE, LLC; DO KYUN ) (3) CLAIM FOR ANCILLARY RELIEF AND  
KIM, And YOON JO HONG, ) COSTS  
19 )  
20 Respondents. ) (Corp. Code §§31402, 31406, 31408)  
21 )  
\_\_\_\_\_ )

22 Jan Lynn Owen, the California Commissioner (“Commissioner”) of the Department of  
23 Business Oversight (“Department”), finds the following:

24 **I. PARTIES**

25 1. At all relevant times, Tom N Toms Franchise, LLC (“TNT” or “Franchisor”), is a  
26 California limited liability company incorporated on January 30, 2012, with its principal place of  
27 business at 3974 Wilshire Blvd 2nd Fl., Los Angeles, California 90010. TNT purportedly offers  
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1 franchises for the operation of a “Tom N Toms Coffeehouse featuring premium coffee products and  
2 complementary food and beverages.”

3 2. At all relevant times, Do Kyun Kim (“Kim”) is, and was, the chief executive officer  
4 of TNT. Kim is also a “control” person of TNT as that term is defined by Corporations Code section  
5 160.<sup>1</sup>

6 3. At all relevant times, Yoon Jo Hong (“Hong”) represented or held himself out as  
7 TNT’s agent, representative, or “Franchise Consultant.”

8 4. The Commissioner is responsible for administering and enforcing the California  
9 Franchise Investment Law, and registering the offer and sale of franchises in California pursuant to  
10 section 31000 et seq.

11 5. Corporations Code section 31001 recognizes that “California franchisees have  
12 suffered substantial losses where the franchisor or his or her representative has not provided full and  
13 complete information regarding the franchisor-franchisee relationship, the details of the contract  
14 between franchisor and franchisee, and the prior business experience of the franchisor.”

15 6. Accordingly, the FIL serves to, among other things, “... provide each prospective  
16 franchisee with the information necessary to make an intelligent decision regarding franchises being  
17 offered,” and “...to prohibit the sale of franchises where the sale would lead to fraud or a likelihood  
18 that the franchisor's promises would not be fulfilled, and to protect the franchisor and franchisee by  
19 providing a better understanding of the relationship between the franchisor and franchisee with  
20 regard to their business relationship.” (Corporations Code section 31001)

21 7. To register a franchise, a franchisor must file a Uniform Franchise Disclosure  
22 Document (“UFDD” or “Disclosure Document”) with the Department for review and approval, in  
23 accordance with sections 31111 and 31114.

24 8. The franchisor must provide copies of the registered Disclosure Document and all  
25 proposed agreements relating to the sale of the franchise to a prospective franchisee at least 14 days  
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28 <sup>1</sup> All further statutory references are to the Corporations Code unless otherwise indicated.

1 prior to executing any binding franchise or other agreement, or prior to receiving any consideration,  
2 whichever occurs first, as required by section 31119.

## 3 **II. STATEMENT OF FACTS**

4 9. On or about February 17, 2012, TNT filed its initial Uniform Franchise Registration  
5 Application (the "Initial Application") with the Commissioner, pursuant to Corporations Code  
6 section 31111. TNT also filed, along with its Initial Application, a Franchise Disclosure Document  
7 ("FDD") containing the material information set forth in the application, as required by Corporations  
8 Code section 31114. On March 5, 2012, TNT was first registered as a California franchise.

9 10. On September 14, 2015, TNT filed a franchise renewal registration application with  
10 the Department ("Renewal Application"), which is pending.

11 11. Beginning in or about October 2013, TNT, Kim and Hong offered and sold a TNT  
12 franchise to at least one California resident (hereafter "Franchisee") raising an initial amount of least  
13 \$30,000.00.

14 12. On October 3, 2013, TNT and the Franchisee entered into a Franchise Agreement  
15 ("Agreement") for the establishment and operation of a Tom N Toms Coffeehouse, which the parties  
16 agreed would be constructed on a site that would be selected by the Franchisee. TNT provided the  
17 Franchisee its FDD before the parties signed the Agreement.

18 13. Pursuant to the Agreement, the Franchisee paid TNT a non-refundable franchise fee  
19 of \$20,000.00, and a refundable security deposit in the amount of \$10,000.00. The deposit fee was  
20 intended to be used to, among other things, secure the Franchisee's future payment obligations for  
21 equipment, products, and food ingredients supplied by TNT. In addition, the Franchisee was  
22 required to pay TNT a recurring, non-refundable royalty fee of 5 percent of gross sales payable  
23 weekly, on the net sales of the preceding week.

24 14. In connection with the offer or sale of its franchise to the Franchisee, TNT, Kim and  
25 Hong failed to provide full and complete information regarding the franchise or the franchisor-  
26 franchisee relationship that would allow a franchisee make an informed decision whether to invest in  
27 violation of Corporations Code section 31201. Further, TNT, Kim and Hong willfully omitted to  
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1 state material fact in its Initial and Renewal Applications filed with the Commissioner which is  
2 required to be stated therein in violation of Corporations Code section 31200.

3 15. The "Receipt" page of TNT's FDD states that the sellers of the franchise are TNT and  
4 its chief executive officer, Kim. However, Hong offered and sold the franchise to the Franchisee.  
5 The Franchisee never met, nor had any contact with Kim prior to signing the Agreement or  
6 thereafter.

7 16. Applicants are required to file a "Franchise Disclosure Form" identifying each person  
8 that will solicit, offer, or sell franchises in California unless the person is named in Item 2, "Business  
9 Experience" section of the FDD. (Guidelines for Franchise Registration, rule 310.111) The  
10 Department's records do not show that a Franchise Disclosure Form was filed for Hong.  
11 Additionally, Hong is not listed in Item 2 of the FDD.

12 17. Pursuant to Corporations Code section 31210, a person may not sell a franchise that is  
13 non-exempt unless the seller licensed by the Bureau of Real Estate as a real estate broker or real  
14 estate salesman, or licensed by the Commissioner as a broker-dealer or agent pursuant to the  
15 Corporate Securities Law of 1968. Hong is neither licensed by the Bureau of Real Estate nor by the  
16 Commissioner as a broker-dealer or agent. Accordingly, the Commissioner finds that TNT and Kim  
17 willfully made an untrue statement of a material fact in its Initial and Renewal Applications filed  
18 with the commissioner, or willfully omitted to state in the applications, material fact which is  
19 required to be stated therein.

20 18. Exhibit D of TNT's FDD provides, among other things, that within one year after the  
21 execution of the Agreement, the Franchisee shall select and acquire a location for the franchised  
22 business subject to the Franchisor's approval. Notwithstanding, the Franchisee was not given the  
23 opportunity to choose a location for the franchise. Instead, TNT, Kim and Hong induced the  
24 Franchisee to enter into a lease agreement for TNT's proposed location within two weeks after the  
25 Franchisee signed the Agreement by threatening to not sell the franchise to Franchisee if the  
26 Franchisee declined TNT's proposed site.

27 19. Hong told the Franchisee that TNT will assign personnel or an "Area Representative"  
28 based in the U.S. who would oversee the operations of TNT's franchises in the U.S. including,

1 providing support and assistance to its franchisees. The Franchisee was not aware of any TNT  
2 personnel or “Area Representative” appointed to oversee TNT’s operations in the U.S., leaving the  
3 Franchise with little, if any, support with operating the franchise.

4 20. TNT, Kim and Hong failed to inform the Franchisee that all decisions and approvals  
5 concerning the design, construction or furnishing of the site would be made by Kim. TNT, Kim and  
6 Hong failed to provide accurate information concerning the design plan and construction to the  
7 contractor in a timely fashion, causing further delay in the completion of the site; and resulting in the  
8 Franchisee incurring approximately \$28,000.00 in rental charges; \$7,000.00 in design fees; and  
9 \$8,000.00 in architectural fees.

10 21. TNT, Kim and Hong failed to disclose the architect’s fee in Item 7 under the  
11 “Estimated Initial Fee” section of the FDD filed with the Commissioner.

12 22. Item 8, “Restrictions on Sources of Products and Services” of the FDD restricts the  
13 source and types of products a franchisee may use in operating the franchise by requiring that  
14 franchisees operate the franchise according to TNT’s “...System Standards, which regulates among  
15 other things, the types, models and brands of fixtures, furniture, equipment...” Notwithstanding this  
16 restriction, the FDD did not disclose that the furniture for the franchised business would be shipped  
17 from Korea, which caused substantial delay in opening the franchise.

18 23. Item 11 of the FDD under “Training,” states that the Franchisor will provide a total of  
19 80 hours of training over 12 days at a Franchisor’s training facility. The FDD also promised that  
20 TNT’s representative will advise and assist the Franchisee in opening the Coffeehouse by  
21 coordinating the Franchisee’s pre-opening activities and assisting the Franchisee with TNT’s  
22 operations for up to seven days for the opening of the Franchise. TNT, Kim and Hong did not fulfil  
23 their promise. Rather, TNT, Kim and Hong gave the Franchisor six days of training at 3-7 hours per  
24 day at the Franchisee’s premises after the franchise opened. The training the Franchisor provided  
25 was inadequate in in that it failed to train the Franchisee on how to find, and hire employees despite  
26 listing “Human Resources Management” as a topic in the training program.

27 24. Item 11 of the FDD states that the Franchisor will provide its grand opening  
28 promotion, advertising, and local marketing programs to the Franchisee. However, TNT, Kim and

1 Hong did not provide any promotional advertisement programs as promised and instead, forced the  
2 Franchisee to pay for “free” samples at their grand opening, and thereon charged royalties on the  
3 "free" samples.

4 25. Item 19 of the FDD under “Financial Performance Representations,” prohibits TNT  
5 or any of its employees or representatives from making either orally or in writing, “any  
6 representations about a franchisee’s future financial performance or the past financial performance  
7 of company – owned, affiliate - owned or franchised Tom N Toms Coffeeshouses...” Despite this  
8 prohibition, TNT and Kim, through Hong, made illegal earnings claims to the Franchisee, stating  
9 that the original corporate TNT franchise was making over \$1,000,000.00 per year and that the  
10 Franchisee should expect to earn at least \$450,000.00 per year. In addition, TNT, Kim and Hong  
11 failed to disclose their earnings claims in Item 19 of the FDD filed with the Commissioner.

12 26. TNT, Kim and Hong provided a defective Point of Sale system (POS) to the  
13 Franchisee and charged \$70.00 per month for a new POS system without the Franchisee’s consent.  
14 All charges with respect to obtaining, maintaining, and upgrading any computer system must be  
15 disclosed in Item 11 of the FDD. TNT, Kim and Hong failed to disclose the \$70.00 per month  
16 charge in its FDD.

17 27. In light of TNT, Kim and Hong’s failure to fulfil their promises under the FDD, the  
18 Franchisee decided to sell the franchise. Under Business and Professions Code section 20028 and  
19 TNT’s FDD, a franchisor may not prevent a franchisee from selling or transferring a franchise to a  
20 person qualified under the franchisor's standards, and the standards are to be made available to the  
21 franchisee. Also, while a franchisor’s written consent is required before a franchisee may sell or  
22 transfer a franchise, such consent shall not be withheld unless the buyer does not meet the  
23 franchisee’s standards for new or renewing franchisees. TNT, Kim and Hong prevented the  
24 Franchisee from listing the franchise for sale by instructing the Franchisee not to list the franchise  
25 for sale in order to preserve TNT’s reputation, and in return, promising to find a buyer for the  
26 franchise. Further, TNT, Kim and Hong did not provide the standards for selling or transferring the  
27 franchise to a prospective buyer to the Franchisee.

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**III. CITATION AND DESIST AND REFRAIN ORDER**

**VIOLATION OF CORPORATIONS CODE SECTION 31200**

(Willfully making an untrue statement in an application filed with the Commissioner)

28. Section 31200 provides:

It is unlawful for any person willfully to make any untrue statement of a material fact in any application, notice or report filed with the commissioner under this law, or willfully to omit to state in any such application, notice, or report any material fact which is required to be stated therein, or fail to notify the commissioner of any material change as required by Section 31123.

29. The Commissioner finds that TNT and Kim violated section 31200 by willfully making untrue statement of a material fact in TNT’s application, notice or report filed with the commissioner, or willfully omitting to state in TNT’s application, material fact, including but not limited to;

a. failing to identify Hong as a seller of the TNT’s franchise in TNT’s Initial and Renewal Applications filed with the Department;

b. failing to disclose in TNT’s Application filed on June20, 2013, the \$7,000.00 architectural fees the Franchisee was mandated to pay;

c. failing to disclose in TNT’s Application filed on June20, 2013, the earnings claims that the original corporate TNT franchise was making over \$1,000,000.00 per year and that the Franchisee should expect to earn at least \$450,000.00 per year;

d. failing to disclose in TNT’s Application filed on June 20, 2013 that the Franchisee had to pay for free samples; and

e. failing to disclose in TNT’s Application filed on June 20, 2013, that the Franchisee had to pay \$70.00 per month for a Point of Sale system.

30. Based upon the foregoing findings, the Commissioner is of the opinion that Tom N Tom’s Franchise, LLC, and Do Kyun Kim willfully made untrue statements of material fact in applications filed with the Commissioner or omitted to state material facts which were required to be stated in the applications filed with the Commissioner. Pursuant to section 31406, Tom N Tom’s

1 Franchise, LLC, and Do Kyun Kim are hereby cited and ordered to desist and refrain from further  
2 violations of Corporations Code section 31200.

3 31. This Order is necessary, in the public interest, for the protection of investors and  
4 franchisees and consistent with the purposes, policies and provisions of the Franchise Investment  
5 Law.

6 **VIOLATION OF CORPORATIONS CODE SECTION 31200**

7 **(Misrepresentation or Omission of Material Facts)**

8 32. Corporations Code section 31201 provides:

9  
10 It is unlawful for any person to offer or sell a franchise in this state by  
11 means of any written or oral communication not enumerated in Section  
12 31200 which includes an untrue statement of a material fact or omits to  
state a material fact necessary in order to make the statements made, in the  
light of the circumstances under which they were made, not misleading.

13 33. The Commissioner finds that TNT, Kim, and Hong, violated Corporations Code  
14 section 31201 by unlawfully offering to sell or selling the TNT franchise by means which include an  
15 untrue statement of a material fact or omitted to state a material fact necessary in order to make the  
16 statements made, in the light of the circumstances under which they were made, not misleading,  
17 including but not limited to;

18 a. representing that TNT and Kim were the sellers of the franchise when in fact,  
19 Hong sold the franchise;

20 b. representing that the Franchisee would be the one to select a site for the  
21 franchise when TNT, Kim and Hong selected the franchise site;

22 c. representing that TNT would designate personnel or an “Area Representative  
23 based in the U.S to oversee TNT’s franchises and provide support to the Franchisee, and failing to  
24 designate such personnel or “Area Representative”;

25 d. failing to inform the Franchisee that furniture for the franchise would be  
26 shipped from Korea;

27 e. failing to inform the Franchisee that all decisions concerning the franchise  
28 would have to be made by Kim;

1 f. representing that the Franchisee would receive 80 hours of training prior to  
2 opening the franchise and instead, providing six days of training after the opening of the franchise,  
3 lasting approximately 3-7 hours per day;

4 g. representing that the Franchisee would earn up to \$450,000.00 per year.

5 34. Based on the foregoing findings, the Commissioner is of the opinion that Tom N  
6 Tom’s Franchise, LLC, Yoon Jo Hong, and Do Kyun Kim, offered or sold a franchise in this state by  
7 means of written or oral communication which include an untrue statement of a material fact or  
8 omits to state a material fact necessary in order to make the statements made, in the light of the  
9 circumstances under which they were made, not misleading in violation of section 31201. Pursuant  
10 to section 31406, Tom N Tom’s Franchise, LLC, Yoon Jo Hong, and Do Kyun Kim Kim are hereby  
11 ordered to desist and refrain from further violations of Corporations Code section 31201.

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

14 **VIOLATION OF CORPORATIONS CODE SECTION 31210**

15 **(Offering or Selling a Franchise Without a License or Being Exempt)**

16 36. Section 31210 provides:

17  
18 It is unlawful for any person to effect or attempt to effect a sale of a  
19 franchise in this state, except in transactions exempted under Chapter 1  
20 (commencing with Section 31100) of Part 2 of this division, unless such  
21 person is: (1) identified in an application or amended application filed  
22 with the commissioner pursuant to Part 2 (commencing with Section  
23 31100) of this division, (2) licensed by the Bureau of Real Estate as a real  
estate broker or real estate salesman, or (3) licensed by the commissioner  
as a broker-dealer or agent pursuant to the Corporate Securities Law of  
1968.

24 31211. If in the opinion of the commissioner any person is acting in  
25 violation of Section 31210, the commissioner may order such person to  
26 desist and refrain from further activity. If, after such an order has been  
27 made, a request for a hearing is filed in writing by the person to whom  
28 such order was directed, a hearing shall be held in accordance with the  
provisions of Chapter 5 (commencing with Section 11500) of Part 1 of  
Division 3 of Title 2 of the Government Code, and the commissioner shall  
have all of the powers granted thereunder; unless such hearing is  
commenced within 15 business days after the request is made (or the

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person affected consents to a later date), such order shall be deemed rescinded.

37. Based upon the foregoing findings, the Commissioner finds that Hong violated Corporations Code section 31210 by offering or selling the TNT franchise without first being licensed by the Bureau of Real Estate as a real estate broker or real estate salesman, or licensed by the Commissioner as a broker-dealer or agent pursuant to the Corporate Securities Law of 1968. Pursuant to Corporations Code section 31211, Yoon Jo Hong is hereby ordered to desist and refrain from further violations of Corporations Code section 31210.

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

**IV. ADMINISTRATIVE PENALTY**

38. Section 31406 provides in relevant part:

(a) If, upon inspection or investigation, based upon a complaint or otherwise, the commissioner has cause to believe that a person is violating any provision of this division or any rule or order promulgated pursuant to this division, the commissioner may issue a citation to that person in writing describing with particularity the basis of the citation. Each citation may contain an order to desist and refrain and an assessment of an administrative penalty not to exceed two thousand five hundred dollars (\$2,500) per violation and shall contain reference to this section, including the provisions of subdivision (c). All penalties collected under this section shall be deposited in the State Corporations Fund.

(b) The sanctions authorized under this section shall be separate from, and in addition to, all other administrative, civil, or criminal remedies.

(c) If within 60 days from the receipt of the citation, the person cited fails to notify the commissioner that the person intends to request a hearing as described in subdivision (d), the citation shall be deemed final.

(d) Any hearing under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(e) After the exhaustion of the review procedures provided for in this section, the commissioner may apply to the appropriate superior court for a judgment in the amount of the administrative penalty and order

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compelling the cited person to comply with the order of the commissioner. The application shall include a certified copy of the final order of the commissioner and shall constitute a sufficient showing to warrant the issuance of the judgment and order.

39. Pursuant to section 31406, Tom N Tom’s Franchise, LLC; Do Kyun Kim; and Yoon Jo Hong are hereby assessed and ordered to pay, individually, jointly and severally, an administrative penalty of \$7,500.00, which consists of a penalty of \$2,500.00 for each of the three violations of sections 31200, 31201, and 31210 recited above.

40. The administrative penalties in the amounts stated above shall be made payable to the Department of Business Oversight and submitted, no later than 30 days from the date of this order to;

Uche L. Enenwali, Senior Counsel  
Department of Business Oversight  
Enforcement Division  
320 West 4th Street, Suite 750  
Los Angeles, California 90013-2344.

**V. ANCILLARY RELIEF AND FEES**

41. Section 31408 (a) provides in relevant part:

If the commissioner determines it is in the public interest, the commissioner may include in any administrative action brought under this division, including a stop order, a claim for ancillary relief, including, but not limited to, a claim for rescission, restitution or disgorgement or damages on behalf of the persons injured by the act or practice constituting the subject matter of the action, and the administrative law judge shall have jurisdiction to award additional relief. The person affected may be required to attend remedial education, as directed by the commissioner.

WHEREFORE, good cause showing and the Commissioner’s determination that this action is in the public interest and necessary to effectuate the Department’s primary, legitimate, regulatory purpose based upon the Respondents’ violations of the Corporations Code, the Commissioner hereby requests that pursuant to Corporations Code sections 31408, an Order of ancillary relief, restitution, and disgorgement, be entered against Tom N Tom’s Franchise, LLC; Do Kyun Kim; and Yoon Jo Hong, individually, jointly and severally, to:

1           A)     Pay full restitution to each person determined to have been subject to acts, practices,  
2 or transactions which constitute violations of Corporations Code sections 31200, 31201, and 31210  
3 including, the Franchisee referenced in this Statement in Support, in an amount of at least \$402,  
4 462.00, or according to proof. The amount of \$402, 462.00, or according to proof, TNT, Kim and  
5 Hong shall pay as restitution is calculated and described below:

- 6           i.     Lease payments in the amount of \$ 26,880.00
- 7           ii.    Franchise Fee in the amount of \$ 20,000.00
- 8           iii.   Architect Drawing Fee in the amount of \$ 8,000.00
- 9           iv.    TNT's Concept Drawing Fee in the amount of 7,000.00
- 10          v.     Franchise Application Fee in the amount of \$ 500.00
- 11          vi.    Additional Construction Fee in the amount of \$ 15,000.00
- 12          vii.   Merchandise Security Deposit in the amount of \$ 10,000.00
- 13          viii.   First Order of Merchandise in the amount of \$ 14,216.88
- 14          ix.    Tom N Toms Merchandise Fee in the amount of \$ 8,567.66
- 15          x.     5 percent Franchise Fee in the amount of \$ 1,924.43
- 16          xi.    Construction Costs in the amount of \$ 225,000.00
- 17          xii.   Tom N Toms Furniture in the amount of \$ 2,373.30
- 18          xiii.   Forced Free Promotion costs in the amount of \$ 3,000.00
- 19          xiv.   Marketing & Advertising, Creation, Design costs in the amount of \$ 60,000.00

20           B)     Pursuant to section 31408, any agreements for franchises located in California entered  
21 into between Franchisor and California residents are hereby rescinded.

22           C)     Pay the legal rate of interest on the principal amount paid by each and every  
23 franchisee or from the date of their payment to the date of the order herein.

24           42.     Pursuant to Corporations Code section 31408, subdivision (b), Do Kyun Kim; and  
25 Yoon Jo Hong, and all persons employed by TNT who assist in preparing franchise registrations or  
26 who assist in franchise selling are hereby required to attend remedial education, which shall consist  
27 of eight hours of franchise law training courses per person offered by instructors that are acceptable  
28 to the Commissioner. Proof of attendance of the remedial education shall be submitted to Uche

1 Enenwali, Senior Counsel, 320 West 4th Street, Suite 750, Los Angeles, California 90013-2344, no  
2 later than 90 days from the date of this order.

3 43. This ancillary relief is necessary, in the public interest, for the protection of investors  
4 and franchisees and consistent with the purpose, policies, and provisions of the Franchise Investment  
5 Law.

6 **VI. ATTORNEY’S FEES**

7 44. Section 31408 (b) provides in relevant part:

8 In an administrative action brought under this part the commissioner is  
9 entitled to recover costs, which in the discretion of the administrative law  
10 judge may include any amount representing reasonable attorney's fees and  
investigative expenses for the services rendered, for deposit into the State  
Corporations Fund for the use of the Department of Corporations.

11 45. Pursuant to section 31408, subdivision (b), Tom N Tom’s Franchise; Do Kyun Kim;  
12 and Yoon Jo Hong shall pay attorney’s fees and investigative expenses to the Department of  
13 Business Oversight in the amount of \$3,000.00 or according to proof. The amount awarded for  
14 attorney’s fees and investigative expenses shall be made payable to the Department of Business  
15 Oversight and submitted, no later than 30 days from the date of this order, to;

16 Uche L. Enenwali, Senior Counsel  
17 Department of Business Oversight  
18 Enforcement Division  
19 320 West 4th Street, Suite 750  
Los Angeles, California 90013-2344.

20 This order is necessary, in the public interest, for the protection of investors and franchisees  
21 and consistent with the purposes, policies and provisions of the Franchise Investment Law.

22 Dated: May 12, 2016  
23 Sacramento, California

JANN LYNN OWEN  
Commissioner of Business Oversight

24  
25  
26 By \_\_\_\_\_  
MARY ANN SMITH  
27 Deputy Commissioner  
28 Enforcement Division