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2 **STATE OF CALIFORNIA**
3 **BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY**
4 **DEPARTMENT OF BUSINESS OVERSIGHT**

5 TO: Fresh and Natural Inc. dba Fresh and Natural Food Service Group
6 Marie Le
7 426 South Main Street
8 Milpitas, CA 95035

9 **DESIST AND REFRAIN ORDER**
10 **(For violations of section 31110 of the Corporations Code)**

11 The Commissioner of Business Oversight finds that:

12 1. Fresh and Natural Inc., dba Fresh and Natural Food Service Group (“Fresh and Natural”) is
13 a California corporation located at 426 South Main Street, Milpitas, California. The President of
14 Fresh and Natural Inc. is Marie Le.

15 2. Fresh and Natural has established commercial food service operations at twenty-one (21)
16 facilities throughout California and has created a separate limited liability company for the
17 management and operation of each facility. Fresh and Natural retains a controlling interest in each
18 local limited liability company and exercises control over the operations of each local facility.

19 3. The local limited liability company manager enters into a limited liability company
20 agreement with Fresh and Natural and is granted a minority interest in the LLC. The operator (or
21 local manager) agrees to pay to Fresh and Natural a security deposit of \$60,000; a negotiation fee of
22 \$15,000 and a percentage of the monthly income for as long as the facility operates. Fresh and
23 Natural provides to the local operator an Operating Agreement containing detailed standards and
24 operating procedures including how to manage relations with the client at each different location.

25 4. The Commissioner has determined (a) that the relationship between Fresh and Natural and
26 each local limited liability company is a franchise as defined in California Corporations Code section
27 31005, and (b) that these franchises were offered and sold in this state by Marie Le and Fresh and
28 Natural to at least twenty-one (21) limited liability companies. The Department of Business
Oversight has not issued a registration to Fresh and Natural for the offer or sale of Fresh and Natural

1 franchises in this state.

2 5. Based upon the foregoing findings, the Commissioner of the Department of Business
3 Oversight is of the opinion that Marie Le and Fresh and Natural Inc. dba Fresh and Natural Food
4 Service Group have offered and sold franchises in California that were subject to registration under
5 the California Franchise Investment Law in violation of California Corporations Code section 31110.
6 Pursuant to section 31402 of the California Corporations Code, Marie Le and Fresh and Natural Inc.
7 dba Fresh and Natural Food Service Group are hereby ordered to desist and refrain from the further
8 offer or sale of Fresh and Natural franchises unless and until the offers have been duly registered
9 under the California Franchise Investment Law, or exempt.

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

12 Date: October 31, 2014
13 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

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16 By _____
17 MARY ANN SMITH
18 Deputy Commissioner
19 Enforcement Division
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