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STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF BUSINESS OVERSIGHT

TO: YoFresh Yogurts Franchising, Inc.
Chris Gregoris
8 Faneuil Hall Marketplace, 3rd. Floor
Boston, MA 02109

CITATION
&
DESIST AND REFRAIN ORDER

(For violation of section 31110 of the Corporations Code)

The Commissioner of Business Oversight (Commissioner) finds that:

1. The Department of Business Oversight (Department) regulates the offer and sale of franchises in California through the application of the Franchise Investment Law. (Corp. Code sec. 31000 et. seq.) Absent a relevant exception, it is unlawful to offer and sell any franchise in the State of California unless the offer and sale has been registered under the law. (Corp. Code sec. 31110.)
2. YoFresh Yogurts Franchising, Inc., (YoFresh) is a Massachusetts corporation, incorporated on January 28, 2011. Its business address is 8 Faneuil Hall Marketplace, 3rd Floor, Boston, Massachusetts, 02109.
3. Mr. Chris Gregoris, (Gregoris) is a natural person, a resident of Massachusetts, and the principal control person of YoFresh. YoFresh offers and sells franchises allowing franchisees to market and operate frozen yogurt shops called YoFresh Yogurt Café.
4. Neither YoFresh, nor Gregoris, have ever been registered to offer or sell franchises in California.
5. On March 24, 2015, Gregoris contacted the Department, admitting that a YoFresh franchise had been offered and sold in the State of California without prior registration. He identified the franchisee and the amount of the franchise fee paid.

1 6. The Commissioner has confirmed the unregistered offer and sale was made to two
2 sisters with initials S.N. and J.N, through their father T.N. The Commissioner is, therefore, informed
3 and believes that the franchisor, YoFresh and Gregoris offered and sold a franchise in the State of
4 California.

5 Based upon the foregoing findings, the Commissioner of Business Oversight is of the opinion
6 that Mr. Chris Gregoris and YoFresh Yogurts Franchising, Inc., offered and sold a franchise in
7 California that was subject to registration under the Franchise Investment Law without the offers
8 and/or sales first being registered, in violation of Corporations Code section 31110.

9 Pursuant to Corporations Code section 31402, Mr. Chris Gregoris and YoFresh Yogurts
10 Franchising, Inc. are hereby ordered to desist and refrain from the further offer or sale of any and all
11 franchises in the state of California, including but not limited to franchises in YoFresh Yogurt Cafes,
12 unless and until the offers of sale have been duly registered under the Franchise Investment Law, or
13 are exempt.

14 Pursuant to Corporations Code section 31406, Mr. Chris Gregoris and YoFresh Franchising,
15 Inc., are hereby jointly and severally assessed and ordered to pay an administrative penalty of two
16 thousand five hundred dollars (\$2,500) within 30 days of the finality of this order. If within sixty
17 (60) days from the receipt of this citation Mr. Chris Gregoris and YoFresh Franchising, Inc., fail to
18 notify the commissioner that they intend to request a hearing as described in Corporations Code
19 section 31406, subsection (d), then the citation shall be deemed final. As provided in that subsection,
20 any hearing requested shall be conducted in accordance with Chapter 5 (commencing with section
21 11500) of Part 1 of Division 3 of Title 2 of the California Government Code.

22 Pursuant to Corporations Code sections 31303 and 31408, and due to the Commissioner's
23 finding that Gregoris and YoFresh have violated Corporations Code section 31110, YoFresh shall
24 afford the California YoFresh franchisee (referenced in paragraph 6 above) the right to rescind any
25 contract for the purchase of a franchise. YoFresh is hereby ordered to comply with the provisions of
26 Corporations Code section 31304 and California Code of Regulations, section 310.303, within sixty
27 (60) days of this order, by delivering a notice of violation and rescission offer to this franchisee.
28 YoFresh shall submit the proposed notice of violation and rescission offer to the Department for

1 review and approval within thirty (30) days of this order by sending them to: Erik Brunkal, Senior
2 Counsel, Enforcement Division, 1515 K Street, Suite 200, Sacramento, CA 95814.

3 If the franchisee accepts the offer of rescission, YoFresh is hereby ordered to pay restitution
4 to the franchisee that accepts its offer of rescission for the actual cost of the initial franchise fee
5 (\$29,500) and the actual cost of any royalty fees paid by the franchisee, at any time. The franchisee
6 shall be given ninety (90) days from receipt of the offer of rescission to elect to rescind. YoFresh
7 shall pay restitution to each franchisee electing rescission within sixty (60) days of receiving the
8 franchisee's election to rescind.

9 Pursuant to Corporations Code section 31408, the Commissioner is entitled to recover costs,
10 which may include reasonable attorney's fees and investigative costs, at the discretion of an
11 administrative law judge.

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

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15 Dated: July 6, 2015
16 Sacramento, CA

JAN LYNN OWEN
Commissioner of Business Oversight

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18 By: _____
19 Mary Ann Smith
20 Deputy Commissioner, Enforcement
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