

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

TO: The Dale Group
dba Blind Brokers Network
dba Blind Butler
Steve Dale, President and Chief Executive Officer
23052 Alicia Parkway, H202
Mission Viejo, CA 92692-1662

DESIST AND REFRAIN ORDER

(For violations of section 31110 of the Corporations Code)

The California Corporations Commissioner finds that:

1. The Dale Group is doing business as Blind Brokers Network (“BBN”) and Blind Butler. These California entities are operated by Steve Dale (“Dale”), President and CEO. The Dale Group was incorporated in July 2001 and the headquarters office is located at 23052 Alicia Parkway, Suite H202, Mission Viejo, CA.

2. Beginning in at least 2004 and continuing thereafter, Dale, BBN and Blind Butler have offered or sold franchises offering vendors low cost business opportunities in selling and installing covered window fashions as well as mini-blind cleaning and repair.

3. At all relevant times, The Dale Group, BBN and Steve Dale granted the franchisees the right to engage in the business of selling window coverings (i.e. mini-blinds, shutters, etc.) as a member of the BBN. BBN has over 600 franchises, at least 29 of which were sold to Californians between January 2004 and September 2005. The franchisees pay an initial fee ranging between \$2795 and \$4995 depending upon the program type purchased. BBN offers the franchisees training through the use of manuals, DVDs and attendance at a “boot camp”. The franchisees are assigned a personal business coach to help with set up, marketing, product knowledge, and goals. Vendors

1 (mini-blind manufacturers) are notified when franchisees have purchased the BBN package so that
2 samples of mini-blind products can be forwarded. The franchisee chooses its own business name, but
3 is entitled and encouraged to use the BBN trade name by informing customers that they are BBN
4 associates or affiliates. Some franchisees advertise on their own website that they are BBN members.
5 Vendors are also informed that dealers are BBN associates or affiliates.

6 4. Blind Butler offers low cost franchise opportunities for mini blind installation, cleaning
7 and repair as well as window washing services. The Blind Butler equipment and business
8 opportunity costs approximately \$3995. Since 1989 Blind Butler has sold its equipment to over 900
9 purchasers worldwide. It offers ad slicks and marketing tools to help the franchisee find customers.
10 A personal business coach is assigned to the business owner to assist with set up and operations of
11 their new business. The franchisee chooses its own business name, but is entitled to use the Blind
12 Butler trade name by informing customers that they are an associate and were trained by Blind
13 Butler.

14 5. During May 2005, The Dale Group, BBN, Blind Butler and Dale offered at least one
15 California resident a franchise opportunity by mailing BBN and Blind Butler pamphlets and franchise
16 descriptions. Franchise offers are also made to California residents through their websites:
17 www.myblindbiz.com, www.blindbrokersnetwork.com and www.blindbutler.com. Although
18 they advertise that they are a franchise, The Dale Group, BBN, Blind Butler and Dale have not been
19 registered to offer or sell franchises under the California Franchise Investment Law and are not
20 exempted under Chapter 1, beginning with Corporations Code section 31100, of that law.

21 6. These franchises were offered or sold in this state.

22 7. The Department of Corporations has not issued a registration to The Dale Group,
23 BBN, Blind Butler and Dale for the offer or sale of any franchise in this state. Additionally, the offer
24 or sale of any franchise of The Dale Group, BBN and Blind Butler is not exempt from registration.

25 Based upon the foregoing findings, the California Corporations Commissioner is of the
26 opinion that The Dale Group, Blind Brokers Network, Blind Butler and Steve Dale have offered
27 franchises in California. The California Corporations Commissioner is of the further opinion that
28 The Dale Group, Blind Brokers Network, Blind Butler and Steve Dale have offered and sold

1 franchises in California that were subject to registration under the Franchise Investment Law without
2 the offers and/or sales first being registered, in violation of Corporations Code section 31110.

3 Pursuant to section 31402 of the Corporations Code, The Dale Group, Blind Brokers Network, Blind
4 Butler and Steve Dale are hereby ordered to desist and refrain from the further offer or sale of The
5 Dale Group, Blind Brokers Network and Blind Butler interests unless and until the offers have been
6 duly registered under the Franchise Investment Law or are exempt.

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

9 Dated: October 26, 2005
10 Los Angeles, California

11 WAYNE STRUMPFER
12 Acting California Corporations Commissioner

13
14 By _____
15 ALAN S. WEINGER
16 Acting Deputy Commissioner
17 Enforcement Division
18
19
20
21
22
23
24
25
26
27
28