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

TO: Caffino Franchise Corporation, a.k.a. Caffino, Inc. and www.caffino.com
4070 Nelson Avenue, Suite G
Concord, CA 94520

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

The California Corporations Commissioner finds that:

1. Caffino Franchise Corporation, a.k.a. Caffino, Inc. and www.caffino.com (collectively herein, “ Caffino ”) is a California corporation formed on March 16, 2001. Caffino’s principal place of business is located at 4070 Nelson Avenue, Suite G, in Concord, County of Contra Costa, California, 94520. The company maintains a website at www.caffino.com.

2. From about 2001 to present, Caffino was and is in the business of operating commercial beverage restaurant enterprises, namely, drive-thru coffee “ bars” where consumers remain in their vehicles to place a coffee beverage order then drive-up to a window to pay and collect the beverage (herein “ Coffee ”). Also from about 2004 to present, Caffino was and is also in the business of offering franchises for the operation of the Coffee enterprises in the State of California and in the State of South Carolina.

3. At all relevant times, Caffino also transacts business worldwide by way of the internet. Specifically, in conjunction with the “ brick and mortar ” operations referenced above, Caffino operates a website with the internet address of www.caffino.com in which Caffino offers and sells coffee beans for home delivery and offers franchise opportunities. The information on the Caffino website located at www.caffino.com consists of an offer to sell a franchise in California.

4. From about 2004 to 2009, pursuant to the California Franchise Investment Law (California Corporations Code, §31000 *et seq.*), Caffino was duly registered with the California Department of Corporations to offer or sell Coffee franchises. Caffino’s registration expired in or about April 2009.

1 From 2009 to present, Caffino did not renew their registration, or become registered with the
2 California Department of Corporations as mandated by the California Franchise Investment Law. To
3 date, Caffino is not registered to offer or sell franchises pursuant to the California Franchise
4 Investment Law or is not exempt from registration under Chapter 1, beginning with Corporations
5 Code section 31100, of that law.

6 Based upon the foregoing findings, the California Corporations Commissioner is of the
7 opinion that Caffino Franchise Corporation, a.k.a. Caffino, Inc. and www.caffino.com have engaged
8 in the offer or sale of franchises in California that were subject to registration under the Franchise
9 Investment Law without first being registered, in violation of Corporations Code section 31110.
10 Pursuant to section 31402 of the Corporations Code, Caffino Franchise Corporation, a.k.a. Caffino,
11 Inc. and www.caffino.com are hereby ordered to desist and refrain from the further offer or sale of
12 Caffino Franchise Corporation, a.k.a. Caffino, Inc. and www.caffino.com Coffee franchises unless
13 and until the offers have been duly registered under the Franchise Investment Law .

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

16 Dated: August 22, 2012
17 Sacramento, California

18 JAN LYNN OWEN
19 California Corporations Commissioner

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21 By _____
22 Mary Ann Smith
23 Deputy Commissioner
24 Enforcement Division
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