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

5 TO: Dine In 2Nite North America, Inc.
6 Mr. Leo Kats
7 9808 Waples Street
8 San Diego, CA 92121

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

11 The Commissioner of the Department of Business Oversight finds that:

12 1. Dine In 2Nite North America, Inc. (“Dine in 2Nite”) is a California corporation with a
13 business address at 6494 Weathers Place, San Diego CA 92121. Dine in 2Nite is in the business of
14 preparing and delivering ready-made meals to residential homes.

15 2. Leo Kats (“Kats”) is a California resident and control person of Dine in 2Nite. Kats’
16 principal place of business is in San Diego, California.

17 3. Dine in 2Nite and Kats are collectively referred to as “Respondents.”

18 4. Dine in 2Nite is not, and has never been, registered with the California Department of
19 Business Oversight to offer or sell franchise investments in California. Nevertheless, in violation of
20 the Franchise Investment Law as set forth in Corporations Code section 31110, Respondents have
21 offered Dine in 2Nite franchise investments in California and sold at least one franchise in 2014 for
22 approximately \$100,000.00. According to the terms of the franchise purchase, in exchange for a
23 franchise fee, the Dine In 2Nite franchisee was granted an exclusive geographic sales territory in San
24 Diego County and required to follow protocols, processes and procedures in the operation of the
25 franchise. To facilitate the franchise purchase, Kats submitted a signed “Letter from the Franchisor”
26 to the United States Embassy in the purchaser’s home country setting forth the terms of the purchase.

27 5. Respondents continue to offer franchise investments through the company website
28 accessible within California at “www.dinein2nite.com.” The franchise investments offered and sold

1 by Respondents are franchises within the meaning of California Corporations Code section 31005.

2 Based upon the foregoing findings, the California Commissioner of Business Oversight is of
3 the opinion that Leo Kats and Dine In 2Nite North America, Inc., offered and sold franchises in
4 California that were subject to registration under the Franchise Investment Law without the offers
5 first being registered, in violation of Corporations Code section 31110. Pursuant to section 31402 of
6 the Corporations Code, Leo Kats and Dine In 2Nite North America, Inc., are hereby ordered to desist
7 and refrain from the further offer or sale of franchise investments unless and until the offers have
8 been duly registered under the Franchise Investment Law, or are exempt.

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

11 Dated: June 24, 2015
12 Sacramento, California.

JAN LYNN OWEN
Commissioner of Business Oversight

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