

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Deputy Commissioner  
3 ERIK BRUNKAL (SBN: 166086)  
Senior Corporations Counsel  
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CONFORMED COPY  
OF ORIGINAL FILED  
Los Angeles Superior Court  
APR 08 2011  
John A. Clarke, Executive Officer/Clerk  
By D.M. SWAIN, Dep.

6 Attorneys for Plaintiff  
The Commissioner of Corporations  
7

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 FOR THE COUNTY OF LOS ANGELES

10 THE PEOPLE OF THE STATE OF )  
CALIFORNIA, by and through the )  
11 CALIFORNIA CORPORATIONS )  
12 COMMISSIONER )

13 Plaintiff,

14 vs.

15 ERIC YUN, aka MANSOON ERIC YOON, )  
16 aka ERIC MAN S. YUN, GREEN ON BLUE, )  
17 INC., dba YOGURBERRY U.S.A. and dba )  
18 YOGURBERRY FRANCHISING )  
COMPANY, )

19 Defendants.

) CASE NO.: BS131339  
)  
) APPLICATION PURSUANT TO  
) CORPORATIONS CODE SECTIONS 31406  
) AND 31408 FOR A JUDGMENT FOR  
) ADMINISTRATIVE PENALTIES AND  
) ORDER COMPELLING COMPLIANCE  
) WITH THE COMMISSIONER’S January 7,  
) 2010 ORDER AGAINST DEFENDANTS  
)  
) Date:  
) Time:  
) Department:  
) Judge:  
)\_

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22 Plaintiff, the People of the State of California, by and through the California Corporations  
23 Commissioner (“Plaintiff” or “Commissioner”), will and hereby do apply (1) for a judgment for  
24 administrative penalties in the amount of \$42,500.00, (2) for an order compelling compliance with  
25 the Commissioner’s order, including but not limited to the order that the defendants jointly and  
26 severally pay restitution and rescission in the amount of \$2,339,400.00 to nine victim franchisees (to  
27 be further identified in the papers filed in support of this application), and (3) for an award of attorney  
28 fees and costs in the amount of \$2,500.00.

1 This application is made upon the grounds and authority found in the Corporations Code  
2 sections 31406 and 31408, giving the Commissioner the power to apply to the Superior Court for the  
3 requested judgment, order, and award. This application is based on this Application and a Notice of  
4 Motion and Motion, the Memorandum of Points and Authorities in Support, and the Declarations of  
5 Erik Brunkal, Chris Lewis, and Eun Ju Chagolla, to be filed once a case number and department are  
6 assigned, and such other and further oral and documentary evidence as may come before the court in  
7 this matter before, during, or after the hearing at the court's request.

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9 DATED: April 7, 2011

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11 By: \_\_\_\_\_  
12 ERIK BRUNKAL  
13 Attorney for the Plaintiff  
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**STATE OF CALIFORNIA**  
**BUSINESS, TRANSPORTATION AND HOUSING AGENCY**  
**DEPARTMENT OF CORPORATIONS**

**TO: Eric Yun, aka Mansoon Eric Yoon or Eric Man S. Yun**  
**Green on Blue, Inc., dba Yogurberry U.S.A. and Yogurberry Franchising Company**  
3250 Wilshire Blvd, Suite 810  
Los Angeles, CA 90010  
or  
3368 N. San Fernando Rd., Suite 108  
Los Angeles, CA 90065

**CITATION**  
**&**  
**DESIST AND REFRAIN ORDER**

**(For violations of section 31110, 31119, and 31201 of the Corporations Code)**

The California Corporations Commissioner (Commissioner) finds that:

1. Eric Yun, aka Mansoon Eric Yun or Eric Man S. Yun, (hereinafter, “Yun”) is a natural person and at all relevant times was a resident of California. Yun is the President and Chief Operating Officer of Green on Blue, Inc. Yun was all times herein mentioned the sole control person of Green on Blue, Inc. Yun’s last known business address is 3368 N. San Fernando Road, Suite 108, Los Angeles, California 90065.

2. Green On Blue, Inc. (hereinafter, “Yogurberry” or “the corporation”) is an active California corporation incorporated on September 12, 2006. The corporation is in the business of franchising “Yogurberry” frozen yogurt outlets as the master franchisor within the United States for a Korean Company called WHOSTYLE Company, Ltd., a Korean Corporation. The corporation does business in California (and elsewhere) as Yogurberry U.S.A. and Yogurberry Franchising Company.

1 Eric Man S. Yun is listed as its registered agent for service of process at 3368 N. San Fernando Road,  
2 Suite 108, Los Angeles, California 90065.

3 3. Prior to December 21, 2006, Yogurberry was not registered to offer or sell franchises  
4 in California. Nevertheless, in violation of the Franchise Investment Law (hereinafter "FIL") at  
5 Corporations Code section 31110, Yun and Yogurberry accepted franchise fees from at least two  
6 prospective franchisees prior to December 21, 2006.

8 4. Unaware of Yun and Yogurberry's previous violations, the Department of  
9 Corporations (hereinafter, "the Department") approved Yogurberry's registration to sell franchises in  
10 California on December 21, 2006 through April 20, 2007. The Department approved a second period  
11 of registration from April 24, 2007 to April 21, 2008. A key component of the Department's  
12 approval process was a review of the Uniform Franchise Offering Circular ("UFOC"). The  
13 Department required several revisions of the UFOC before final approval of Yogurberry's  
14 registration was granted.

17 5. The purpose of the UFOC is to provide potential franchisees with all the information  
18 necessary to make an informed decision as to whether to invest in the franchise opportunity. The FIL  
19 requires that each prospective franchisee receive a copy of the UFOC 14 days prior to the date the  
20 franchisee signs a binding agreement or provides any consideration to the franchisor.

22 6. On at least nine separate occasions where franchisees signed agreements and provided  
23 consideration to Yogurberry, Yun and Yogurberry failed to provide franchisees with UFOCs in  
24 compliance with the FIL at Corporations Codes section 31119.

25 7. Further, in relation to the offer and sales of these franchises, Yun and Yogurberry  
26 made the following material misrepresentations and omissions in violation of the FIL at Corporations  
27 Code section 31201:  
28

1           a.       Yun and Yogurberry promised minimum net monthly incomes of \$7,000.00 to  
2 \$10,000.00 which were never achieved by the franchisees;

3           b.       Yun and Yogurberry promised to pay architects, interior designers, contractors, and  
4 others to build out “turnkey” ready stores, however these payments were not made or were not made  
5 in a timely fashion resulting in substantial delays;

6           c.       Yun and Yogurberry promised high quality yogurt powder at competitive prices,  
7 however substandard, over-priced yogurt powder was substituted on many occasions resulting in  
8 lower profits and customer complaints;

9           d.       Yun and Yogurberry promised non-seasonal items like breads, soups, salads, coffees,  
10 and teas to off-set the seasonal nature of frozen yogurt, but none were ever forthcoming;

11           e.       Yun and Yogurberry promised training that never transpired;

12           f.       Yun and Yogurberry promised advertising that never materialized.

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17           Based upon the foregoing findings, the California Corporations Commissioner is of the  
18 opinion that Mr. Eric Yun, aka Mansoon Eric Yun or Eric Man S. Yun and Green on Blue, Inc. dba  
19 Yogurberry U.S.A. and Yogurberry Franchising Company offered and/or sold franchises in  
20 California that were subject to registration under the Franchise Investment Law without the offers  
21 first being registered, in violation of Corporations Code section 31110.

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23           Further, the California Corporations Commissioner is of the opinion that Mr. Eric Yun, aka  
24 Mansoon Eric Yun or Eric Man S. Yun and Green on Blue, Inc. dba Yogurberry U.S.A. and  
25 Yogurberry Franchising Company offered and/or sold franchises in California without providing  
26 prospective franchisees with UFOCs in violation of California Corporations Code section 31119.  
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1 Further, the California Corporations Commissioner is of the opinion that Mr. Eric Yun, aka  
2 Mansoon Eric Yun or Eric Man S. Yun and Green on Blue, Inc. dba Yogurberry U.S.A. and  
3 Yogurberry Franchising Company offered and/or sold franchises in California by means of written or  
4 oral communications containing untrue statements or omissions of material fact(s) in violation of  
5 Corporations Code section 31201.  
6

7 **ORDER**

8 1. Pursuant to section 31406 of the Corporations Code, Mr. Eric Yun, aka Mansoon Eric  
9 Yun or Eric Man S. Yun and Green on Blue, Inc. dba Yogurberry U.S.A. and Yogurberry  
10 Franchising Company are hereby ordered to desist and refrain from the further offer or sale of any  
11 and all franchises in the state of California, including but not limited to franchises in any and all  
12 frozen yogurt outlets under any name(s), unless and until the offers of sale have been duly registered  
13 under the Franchise Investment Law, or are exempt.  
14

15 Further, Mr. Eric Yun, aka Mansoon Eric Yun or Eric Man S. Yun and Green on Blue, Inc.  
16 dba Yogurberry U.S.A. and Yogurberry Franchising Company are hereby ordered to desist and  
17 refrain from the further offer or sale of any and all franchises in the state of California without first  
18 providing prospective franchisees with a UFOC in compliance with Corporations Code section  
19 31119.  
20

21 Mr. Eric Yun, aka Mansoon Eric Yun or Eric Man S. Yun and Green on Blue, Inc. dba  
22 Yogurberry U.S.A. and Yogurberry Franchising Company are hereby ordered to desist and refrain  
23 from the further offer or sale of any and all franchises in the state of California by means of oral or  
24 written statements containing misrepresentations or omissions of material fact within the meaning of  
25 Corporations Codes section 31201.  
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1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Deputy Commissioner  
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6 Attorneys for Plaintiff  
The Commissioner of Corporations  
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8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
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13 Plaintiff,

14 vs.

15 ERIC YUN, aka MANSOON ERIC YOON, )  
16 aka ERIC MAN S. YUN, GREEN ON BLUE, )  
INC., dba YOGURBERRY U.S.A. and dba )  
17 YOGURBERRY FRANCHISING )  
18 COMPANY, )

19 Defendants.  
20

CASE NO.: BS131339  
[Proposed] JUDGMENT for  
ADMINISTRATIVE PENALTIES and ORDER  
COMPELLING COMPLIANCE WITH THE  
COMMISSIONER'S January 7, 2010 ORDER

Date:  
Time:  
Department:  
Judge:

21 TO ALL PARTIES:

22 The above matter came on regularly for hearing in Department \_\_\_\_, at \_\_\_\_:\_\_\_\_ .m. on  
23 \_\_\_\_\_, \_\_\_\_\_, 2011, Hon. \_\_\_\_\_, presiding.

24 Satisfactory proof having been made, and good cause appearing therefore,

25 IT IS ORDERED THAT:

26 1. Judgment be entered in favor of the Plaintiff, the People of the State of California, by and  
27 through the California Corporations Commissioner, in the amount of FORTY-TWO THOUSAND  
28 FIVE-HUNDRED DOLLARS AND NO CENTS (\$42,500.00);

1 IT IS FURTHER ORDERED THAT DEFENDANTS ARE HEREBY COMPELLED TO  
2 COMPLY WITH ALL ASPECTS OF THE PLAINTIFF’S ORDER, INCLUDING:

3 2. Defendants, and each of them, are hereby ordered to desist and refrain from further violations  
4 of the Franchise Investment Law;

5 3. Defendants and each of them are hereby ordered to pay rescission and restitution to the  
6 following persons in the following amounts:

- 7 a. to Kibok Park in the amount of \$225,000
- 8 b. to Paul Yoon in the amount of \$233,139
- 9 c. to Sookyoung Kim in the amount of \$200,000
- 10 d. to Sungkun Yang and Hyunjong Lee in the amount of \$207,000
- 11 e. to Daniel Shin in the amount of \$219,400
- 12 f. to Daniel Cho in the amount of \$353,000
- 13 g. to Seihoon Choi in the amount of \$265,000
- 14 h. to Jumi Shim in the amount of \$120,000
- 15 i. to Michael (Changhun) Lee and Gun Suk Oh in the amount of \$388,000

16 4. Defendants and each of them are hereby ordered to pay Plaintiff’s reasonable attorney’s fees  
17 in the amount of \$2,500.00

18 IT IS FURTHER ORDERED THAT:

19 5. Interest shall accrue on all amounts in this Judgment and Order at the statutory rate from the  
20 date of the entry of this Judgment and Order.

21  
22 DATED:

\_\_\_\_\_  
Judge of the Superior Court