

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 WAYNE STRUMPFER
Deputy Commissioner
3 ALAN S. WEINGER (CA BAR NO. 86717)
Lead Corporations Counsel
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Senior Corporations Counsel
5 DEPARTMENT OF CORPORATIONS
320 West 4th Street, Suite 750
6 Los Angeles, California 90013-2344
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8 Attorneys for Complainant

9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA
11

12 In the Matter of

) FILE NO.

13 THE CALIFORNIA CORPORATIONS
14 COMMISSIONER,

) STIPULATION TO ENTRY OF DESIST AND
REFRAIN ORDER

15 Complainant,

) CORPORATIONS CODE SECTION 31402

16 v.

17 GOLDEN SPOON, INC. and JEFFREY
18 BARNES, as an individual,

19 Respondents.
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22 In resolution of an inquiry into the offer and sale of unregistered franchises within the State
23 of California, and without admitting or denying such activities, IT IS HEREBY STIPULATED
24 AND AGREED between Golden Spoon, Inc. and Jeffrey Barnes (hereafter collectively
25 "Respondents") and the California Corporations Commissioner ("Commissioner"), as follows:

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1 1. Respondents stipulate to the issuance of the Desist and Refrain Order, in the form
2 attached hereto as Exhibit A, directing Respondents to desist and refrain from the further offer and
3 sale of unregistered franchises in violation of the Franchise Investment Law.

4 2. Respondents hereby waive all rights to any hearing or appeal of the Desist and
5 Refrain Order.

6 3. Respondents stipulate that the delivery by certified mail of the executed Desist and
7 Refrain Order issued by the Commissioner to their counsel, Don M. Drysdale, Esq., shall constitute
8 valid service of the Order.

9 4. Respondents acknowledge that remedies for violations of the Franchise Investment
10 Law are not exclusive and may be sought and employed in any combination to enforce the purpose
11 and provisions of this law.

12 5. Respondents agree that nothing in this Stipulation shall preclude the Commissioner,
13 or his agents or employees, to the extent authorized by law, from assisting or cooperating in any
14 investigation and/or action brought by any other federal, state or county agency. Respondents
15 further agree that this Stipulation shall not bind or otherwise prevent any other federal, state or
16 county agency from the performance of its duties.

17 6. Respondents enter into this Stipulation voluntarily and without coercion and
18 acknowledge that no promises, threats or assurances have been made by the Commissioner or any
19 officer, or agent thereof, about this Stipulation.

20 7. Respondents and the Commissioner agree that this Stipulation may be executed in
21 one or more separate counterparts, each of which when so executed, shall be deemed an original.
22 Such counterparts shall together constitute and be one and the same instrument.

23
24 Dated: 11/5/07

PRESTON DuFAUCHARD,
California Corporations Commissioner

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27 By _____
Alan S. Weinger
Lead Corporations Counsel

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GOLDEN SPOON, INC.

Dated: 10-31-07

By _____
Jeffrey Barnes, ~~Individually~~ and on behalf of Golden
Spoon, Inc.

Approved as to Form and Content

Dated: 11-5-07

By _____
Linda A. Stella, Esq.
Attorney on behalf of the California Corporations Commissioner

Dated: 11-2-2007

By _____
Don M. Drysdale, Esq,
Attorney on behalf of Golden Spoon, Inc. and Jeffrey Barnes

EXHIBIT A

1 STATE OF CALIFORNIA
2 BUSINESS, TRANSPORTATION AND HOUSING AGENCY
3 DEPARTMENT OF CORPORATIONS
4

5 To: Golden Spoon, Inc.
6 Jeffrey Barnes
7 26012 Marguerite Parkway, Suite D
8 Mission Viejo, California 92692

8 **DESIST AND REFRAIN ORDER**

9 (For violations of section 31110 of the Corporations Code)

10 The California Corporations Commissioner finds that:

- 11 1. At all relevant times, Golden Spoon, Inc. was a California corporation located at 26012
12 Marguerite Parkway, Suite D, Mission Viejo, California 92692.
- 13 2. At all relevant times, Jeffrey Barnes was the President and CEO of Golden Spoon, Inc.
- 14 3. Since 1992 and continuing thereafter, Golden Spoon, Inc. and Jeffrey Barnes have sold
15 licenses to own and operate a Golden Spoon store selling proprietary frozen yogurt, assorted toppings
16 and related products. There are currently 75 licensed retail Golden Spoon stores including 67 in
17 California.
- 18 4. The licenses offered or sold by Golden Spoon, Inc. and Jeffrey Barnes constitute
19 franchises as defined by Corporations Code section 31005.
- 20 5. These franchises were offered or sold in this state.
- 21 6. There is no current franchise registration issued by the Department of Corporations to
22 Golden Spoon, Inc. or Jeffrey Barnes for the offer or sale of any franchise in this state. Additionally,
23 the offers or sales of the Golden Spoon, Inc. franchises were not exempt from registration.
- 24 7. On or about April 11, 2007, Golden Spoon Franchising, Inc., an affiliate of Golden Spoon,
25 Inc., submitted an application to the Commissioner for a franchise registration for the offer and sale
26 of Golden Spoon franchises. On or about May 30, 2007, pursuant to California Code of Regulations,
27 title 10, section 310.303, Golden Spoon, Inc., filed an application for approval as to form for a written
28 Notice of Violation. Both applications are currently pending.

1 Based upon the foregoing findings, the California Corporations Commissioner is of the
2 opinion that Golden Spoon, Inc. and Jeffrey Barnes have offered or sold franchises in California that
3 are subject to registration under the Franchise Investment Law, in violation of Corporations Code
4 section 31110. Pursuant to section 31402 of the Corporations Code, Golden Spoon, Inc. and Jeffrey
5 Barnes are hereby ordered to desist and refrain from the further offer or sale of Golden Spoon
6 franchises unless and until the offers have been duly registered under the Franchise Investment Law
7 or unless exempt.

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

10 Dated: October xx, 2007
11 Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

12 By _____
13 ALAN S. WEINGER
14 Lead Corporations Counsel
15 Enforcement Division
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