

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: Kristen Horler, CEO
Baby Boot Camp, LLC
Mark Horler, Member/Manager
825 Autumn Lane
Mill Valley, CA 94941

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

The California Corporations Commissioner finds that:

1. Kristen Horler, formerly doing business as Baby Boot Camp, has maintained her principal business address at 825 Autumn Lane, Mill Valley, California 94941
2. Baby Boot Camp, LLC (“BBC”), is a California Limited Liability Company incorporated on December 3, 2004, and maintains its principal business at 825 Autumn Lane, Mill Valley, California 94941 or 2730 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833, as well as an email address at www.babybootcamp.com.
3. Kristen Horler is a member and manager of BBC and is its Chief Operating Officer. Mark Horler is also a member and manager of BBC.
4. Kristen Horler, Mark Horler and/or BBC has offered and continues to offer the sale of franchises in the form of “Licensing Agreements” to California residents whereby “licensees” purchase for a fee in excess of \$500 the rights to offer specifically designed fitness conditioning classes to pre- and/or post-natal mothers, fathers, and other caregivers prescribed in substantial part by BBC and substantially associated with the BBC brand.
5. BBC licensees are granted the right to engage in the business of offering, selling, or distributing the service of such fitness conditioning classes to pre- and post-natal mothers and other caregivers for a profit.
6. The licensee’s right to engage in the business of such classes is pursuant to a marketing plan or system prescribed in substantial part by Kristen Horler, Mark Horler, and/or BBC whereby

1 the franchisor advertises to prospective franchisees claims of a successful marketing plan, stating it
2 can provide a proven-business model which includes “turn-key business support” with a complete
3 Licensee Start-Up Kit to enable a rapid launch of local BBC camp territories and thereby creating the
4 appearance of centralized management and uniform standards regarding the quality and price of the
5 services rendered. Kristen Horler, Mark Horler, and/or BBC claim to offer prospective licensees a
6 “proven business model” with “superior support” and “a proven roadmap to success with all the tools
7 and resources” for “low-risk” business “that can become profitable in less than eight weeks”.

8 7. The proven-business model includes:

- 9 a. Comprehensive training materials in both written form and through instructor
10 training video or in-person training;
- 11 b. Location-specific web pages on the BBC website with location-specific
12 information and ongoing support including web-based schedule updating, online
13 registration with credit card payment option, instructor information, licensee
14 biography, and multiple site links, and a pop-up email account with web/browser
15 email management;
- 16 c. Monthly phone meetings with a BBC Regional Manager and ongoing business
17 support from BBC Headquarters with phone meetings;
- 18 d. Unlimited access to the online business development center with bookkeeping and
19 tracking systems and where licensees can access monthly status reporting,
20 quarterly produced newsletter to distribute to customers, monthly licensee e-
21 newsletter, local session schedules and information, required business forms,
22 certain promotional material, advertisements, coupons and gift certificates, and
23 exercise modifications;
- 24 e. One-on-one support from experienced professional advisors determining ideal
25 class locations, schedules, pricing structure, and instructor pay scale;
- 26 f. Extensive support from the experienced BBC Marketing/PR team, including direct
27 media outreach from the BBC PR Director for local licensee site launch, strategies
28 from the BBC National Marketing Director to assist licensees with low to no-cost

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

marketing tools, access to current press releases with step-by-step instructions for media coverage in local territories, professionally designed marketing materials and media kit with steps to obtain media coverage, regular scheduled press releases and advertising for national media coverage, and a toll-free number to which licensees may direct media contacts.

8. The operation of the business is substantially associated with an advertising or commercial symbol designating the Baby Boot Camp trademark, service mark, and/or logos, including, but not limited to, "Baby Boot CampTM", "Bring Your Baby. Get Fit.TM"

9. Kristen Horler, Mark Horler, and/or Baby Boot Camp LLC's offer of franchises in California has not been registered under the Franchise Investment Law and is not exempted under Chapter 1, beginning with Corporations Code section 31100, of that law.

10. Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that Kristen Horler, Mark Horler and Baby Boot Camp LLC, are offering Baby Boot Camp franchises in California that are subject to registration under the Franchise Investment Law without the offers first being registered, in violation of Corporations Code section 31110. Pursuant to section 31402 of the Corporations Code, Kristen Horler, Mark Horler, and Baby Boot Camp LLC, are hereby ordered to desist and refrain from the further offer or sale of Baby Boot Camp franchises unless and until the offers have been duly registered under the Franchise Investment Law. This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies and provisions of the Corporate Securities Law of 1968.

Dated: June 2, 2005
Sacramento, California

WAYNE STRUMPFER
Acting California Corporations Commissioner

By _____
ALAN S. WEINGER
Acting Deputy Commissioner
Enforcement Division