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

TO: Pure Barre Licensing, L.L.C
Carrie Rezabek
817 14th Street, #C
Santa Monica, CA 90403

www.purebarre.com

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

The California Corporations Commissioner finds that:

1. Pure Barre Licensing, L.L.C. (“Pure Barre”) is, and was at all relevant times herein, a California Limited Liability Corporation with its place of business at 817 14th Street, #C, Santa Monica, CA 90403. Pure Barre also maintains a website at www.purebarre.com.
2. Carrie Rezabek (“Rezabek”) is, and was at all relevant times herein, the founder and CEO of Pure Barre.
3. Beginning at least as early as 2008, Pure Barre and Rezabek offered and sold franchise opportunities in California through direct sales and/or its website: www.purebarre.com.
4. Pure Barre and Rezabek sold six franchises in California. These franchises were offered and sold in this state without being registered, in violation of Corporations Code Section 31110.
5. Specifically, Pure Barre and Rezabek entered into business agreements allowing franchisees to offer Pure Barre services, including but not limited to, Pure Barre Technique at various locations throughout California. The Pure Barre Technique is a “total body workout” by “fusing elements of ballet, pilates and weights”.

1 6. Pure Barre and Rezabek require a mandatory multi-day “initial teaching training”
2 session in which Rezabek personally trains each instructor. Instructors must sign an agreement prior
3 to offering Pure Barre classes ensuring proper brand management. Pure Barre is a registered service
4 mark with the United States Patent and Trademark Office (registration number 3553370). Pure Barre
5 and Rezabek must approve all Pure Barre locations.

6 7. Pure Barre and Rezabek give detailed directions and advice on Pure Barre operating
7 techniques, including a multi-page instruction manual. Pure Barre and Rezabek provide for further
8 uniformity and distinctiveness of Pure Barre through vocal techniques, class size and classroom
9 etiquette rules by franchisees. Continuing support through an annual owners conference, national
10 newsletter, monthly music play-lists and quarterly choreography and updates via podcast are offered
11 to all franchisees.

12 8. According to Pure Barre’s website, consumers and potential consumers are invited to
13 follow Pure Barre on social networking websites: “Facebook,” “Twitter,” and “LinkedIn.” These
14 social networking websites are commonly used to create awareness of products or services and can be
15 considered to be alternative forms of advertising. Pure Barre also recently released a DVD furthering
16 its exercise technique into the market.

17 9. Franchisees use the Pure Barre service mark in connection with the operation of the
18 Pure Barre services, *e.g.*, in materials used to communicate with consumers and potential consumers.

19 10. According to various agreement forms, each franchisee was required to pay some form
20 of an initial fee and/or a fixed dollar amount or percentage of gross receipts via a monthly fee to Pure
21 Barre.

22 Based upon the foregoing findings, the California Corporations Commissioner is of the
23 opinion that Pure Barre Licensing, L.L.C. and Carrie Rezabek have engaged in the offer and sale of
24 Pure Barre franchises in California that are subject to registration under the Franchise Investment
25 Law without the offers first being registered, in violation of Corporations Code Section 31110.
26 Pursuant to Section 31402 of the Corporations Code, Pure Barre Licensing, L.L.C. and Carrie
27 Rezabek are hereby ordered to desist and refrain from the further offer or sale of Pure Barre
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1 franchises unless and until the offers have been duly registered under the Franchise Investment Law,
2 or exempt.

3 Further, pursuant to California Corporations Code Section 31406, Pure Barre Licensing,
4 L.L.C. and Carrie Rezabek, are hereby ordered to pay to the California Corporations Commissioner
5 an administrative penalty in the amount of three thousand dollars (\$3,000).

6 The Citation and Desist and Refrain Order herein are necessary, in the public interest, for the
7 protection of investors and consistent with the purposes, policies and provisions of the California
8 Franchise Investment Law.

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Dated: July 9, 2009

PRESTON DUFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner
Enforcement Division