

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

4 TO: Laurent Perron doing business as The Margarita Man
5 33 Hwy. 3351 N. 10818 Gulfdale Street,
6 Bergheim, Texas 78004 San Antonio, Texas 78216.

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

10 The California Corporations Commissioner finds that:

11 1. Laurent Perron (“Perron”) does business as The Margarita Man. Perron states that his
12 “corporate headquarters” are located at 33 Hwy. 3351 N. Bergheim, Texas 78004. Perron also uses
13 10818 Gulfdale Street, San Antonio, Texas 78216 as a business address.

14 2. Perron is the administrative contact for the registrant, The Margarita Man, that owns the
15 domain name margaritaman.com and solicits California residents by offering them franchises.
16 Perron’s website at www.margaritaman.com invites readers to visit his franchise page and call (830)
17 229-5257 or his toll free phone number (800) 950-8149 for more information.

18 3. During 2005 and continuing thereafter Perron’s website stated: “The Margarita Man is
19 growing nationwide by offering his business opportunity to the right individual who wants to own
20 their own margarita machine rental business and be *The Margarita Man* in his or her town.”

21 4. Perron’s web pages identify all his franchise locations by means of a drop down menu with
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23 state names listed alphabetically. Perron provides contact information and locations for eighteen
24 Margarita Man franchises that operate in California, some of which have direct links to Perron’s
25 website’s franchise opportunity page at www.margaritaman.com. California franchisees’ websites
26 containing information about the Margarita Man franchise opportunity include the following:
27 www.baymargaritas.com, www.highdesertmargaritaman.com, www.margman.net,
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1 www.margaritamanla.com, www.margaritamansandiego.com, www.slomargarita.com,
2 www.smmargaritaman.com, www.norcalmargaritaman.com, and www.southbaymargaritaman.com.

3 5. Perron represents that for a fee “The Margarita Man Opportunity ‘Plan A’” entitles the
4 franchisee to receive the following: margarita machines, utility carts, mix concentrates, cups, salt
5 rimmers, buckets, magnetic signs for delivery vehicles, invoices, color business cards, customer
6 agreement forms, letterhead stationary and envelopes, color brochures, an operations manual,
7 exclusive license, camera ready advertisement and support help. Franchisees also have the right to
8 use Perron’s federally registered trademarks for The Margarita Man. The ‘Plan A’ agreement
9 between Perron and individuals reflects that in exchange for the “territory fee” individuals are given
10 the exclusive right to be “The Margarita Man in a designated territory.” The exact fee charged for a
11 franchise varies on the geographical area and the number of households (according to the U.S.
12 Census Bureau) located in that area. For example, half a million households along with the cost of
13 five particular types of margarita machines would result in a total cost of \$23,500.

14 6. Perron also offers “The Margarita Man Opportunity ‘Plan A2’” that Perron states “gets
15 you started for less and includes all items in Plan A” but only includes “3 or 4 machines at \$3,250
16 each plus the territory fee.”

17 7. Perron’s business opportunities, Plan A and Plan A2, constitutes the offer and sale of a
18 franchise under the Franchise Investment Law.

19 8. There is no record of Perron or The Margarita Man filing with the Department of
20 Corporations to register as a franchise pursuant to Corporations Code section 31110.

21 9. Perron and The Margarita Man do not satisfy the requirements for an exemption from the
22 registration requirements and neither are registered with the California Attorney General’s office as a
23 seller assisted marketing plan.

24 Based upon the foregoing findings, the California Corporations Commissioner is of the
25 opinion that Laurent Perron doing business as The Margarita Man has offered and sold franchises in
26 California. The California Corporations Commissioner is of the further opinion that Laurent Perron
27 doing business as The Margarita Man has offered and sold franchises in California that were subject
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1 to registration under the Franchise Investment Law without the offers and sales first being registered,
2 in violation of Corporations Code section 31110.

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4 Pursuant to section 31402 of the Corporations Code, Laurent Perron doing business as The
5 Margarita Man is hereby ordered to desist and refrain from the further offer or sale of The Margarita
6 Man franchises unless and until the offers have been duly registered under the Franchise Investment
7 Law or are exempt.

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

10 Dated: December 6, 2006
11 Los Angeles, California

12 PRESTON DuFAUCHARD
13 California Corporations Commissioner

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15 By _____
16 ALAN S. WEINGER
17 Lead Corporations Counsel
18 Enforcement Division
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