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8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
9 OF THE STATE OF CALIFORNIA

11 In the Matter of: )  
)  
12 THE COMMISSIONER OF BUSINESS )  
OVERSIGHT, )  
13 )  
14 Complainant, )  
)  
15 v. )  
16 SWEETHONEY DESSERT, INC., )  
17 )  
18 Respondent. )  
)  
19 )  
20 )  
21 )

CONSENT ORDER TO:  
(1) DESIST AND REFRAIN FROM  
VIOLATION OF THE FRANCHISE  
INVESTMENT LAW  
(2) PAY ADMINISTRATIVE PENALTIES  
(3) FILE A NOTICE OF VIOLATION  
(Corp. Code, §§ 31303, 31406)

22  
23 This Consent Order is entered into between the Complainant, the Commissioner of Business  
24 Oversight (Commissioner), and the Respondent, Sweethoney Dessert, Inc. (Sweethoney Dessert)  
25 (collectively, the parties), and is made with respect to the following:

26 I.  
27 JURISDICTION AND VENUE  
28

1 1. The Commissioner is authorized to administer and enforce the provisions of the Franchise  
2 Investment Law (Corp. Code, § 31000 et seq.) (FIL) and the rules and regulations promulgated  
3 thereunder which control the registration, offer and sale of franchises in California.

4 2. The Commissioner brings this action pursuant to the provisions of the FIL, and the rules and  
5 regulations promulgated thereunder, including Corporations Code sections 31303, and 31406.

6 3. Sweethoney Dessert admits to the jurisdiction of the Commissioner in this matter and for the  
7 purposes of issuing and enforcing this Order.

8 **II.**

9 **STATEMENT OF FACTS**

10 4. Sweethoney Dessert is a California corporation organized on December 8, 2015, with a  
11 principal place of business located at 160 14<sup>th</sup> Street, Apartment 801, Oakland, California 94612.  
12 Sweethoney Dessert was created with the purpose of offering and selling franchises in California.

13 5. Allen Guoliang Yang is the Chief Executive Officer and shareholder of Sweethoney and as  
14 such is authorized to enter into this Consent Order on behalf of Sweethoney Dessert.

15 6. During 2016, Sweethoney Dessert offered and sold to third parties three “Business  
16 Cooperation Agreements” that constitute franchise offerings in California.

17 7. Sweethoney Dessert voluntarily notified the Commissioner that it offered and sold the three  
18 franchises and that it intends to be registered in California. The Commissioner informed  
19 Sweethoney Dessert of her intent to order Sweethoney Dessert to: (1) desist and refrain from  
20 offering and selling unregistered franchises in California; (2) provide a notice of violation to all  
21 California franchisees; and, (3) pay administrative penalties pursuant to Corporations Code section  
22 31110 (“Enforcement Action”).

23 8. Sweethoney Dessert indicated its intent to cooperate fully with the Commissioner to remedy  
24 any past violations and consent to the entry of this Consent Order.

25 **III.**

26 **CITATION AND DESIST AND REFRAIN ORDER**

27 9. The Commissioner makes the following findings:

28 Corporations Code section 31110 provides:

1 On and after April 15, 1971, it shall be unlawful for any person to offer or  
2 sell any franchise in this state unless the offer of the franchise has been  
3 registered under this part or exempted under Chapter 1 (commencing with  
4 section 31000) of this part.

Corporations Code section 31406 provides in relevant part:

5 (a) If, upon inspection or investigation, based upon a complaint or  
6 otherwise, the commissioner has cause to believe that a person is violating  
7 any provision of this division or any rule or order promulgated pursuant to  
8 this division, the commissioner may issue a citation to that person in  
9 writing describing with particularity the basis of the citation. Each citation  
10 may contain an order to desist and refrain and an assessment of an  
11 administrative penalty not to exceed two thousand five hundred dollars  
12 (\$2,500) per violation and shall contain reference to this section, including  
13 the provisions of subdivision (c). All penalties collected under this section  
14 shall be deposited in the State Corporations Fund.

15 (b) The sanctions authorized under this section shall be separate from, and  
16 in addition to, all other administrative, civil, or criminal remedies.

17 (c) If within 60 days from the receipt of the citation the person cited fails to  
18 notify the commissioner that the person intends to request a hearing as  
19 described in subdivision (d), the citation shall be deemed final.

20 10. Sweethoney Dessert engaged in the offer and sale of franchises in this state that were referred  
21 to as a "Business Cooperation Agreements" which were subject to registration under the FIL, without  
22 the offers first being registered or exempt, in violation of Corporations Code section 31110. Pursuant  
23 to Corporations Code section 31406, Sweethoney Dessert, is hereby ordered to desist and refrain  
24 from the further offer or sale of franchises in California unless and until the offers have been duly  
25 registered under the FIL or are otherwise exempt.

26 11. Pursuant to Corporations Code section 31406, the Commissioner hereby issues a citation and  
27 assesses an administrative penalty in the amount of \$2,500.00.

28 12. The penalty of \$2,500.00 shall be due 15 business days from the Effective Date of this  
Consent Order, as defined in Paragraph 16 and shall be made payable to the Commissioner in the  
form of a cashier's check or Automated Clearing House deposit to the "Department of Business  
Oversight," and transmitted to the attention of: Accounting- Enforcement Division, Department of  
Business Oversight, 1515 K Street, Suite 200, Sacramento, California, 95814. Notice of payment  
shall be sent to Mary Ann Smith, Deputy Commissioner, 1515 K Street, Suite 200, Sacramento,  
California 95814.

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**IV.**

**ORDER TO FILE NOTICE OF VIOLATION**

**PURSUANT TO CORPORATIONS CODE SECTION 31303**

13. Sweethoney Dessert is hereby ordered to comply with the provisions of Corporations Code section 31303 and California Code of Regulations, title 10, section 310.303 within 60 days from the Effective Date of this Consent Order, as defined in Paragraph 16, by submitting proposed notices of violation for any party that has a contract still in effect, to the Commissioner for review and approval to Cecilia Rubalcava, Corporations Counsel, Securities Regulation Division, 320 West Fourth Street, Suite 750, Los Angeles, California 90013. Within 30 days of the Commissioner’s approval of the notices of violation, Sweethoney Dessert is hereby ordered to mail a copy of the approved notices of violation to all franchisees in California.

**V.**

**ADDITIONAL CONSIDERATIONS**

14. Sweethoney Dessert, through its execution of this Consent Order, acknowledges that it was served with a copy of the Consent Order. Sweethoney Dessert acknowledges that the Commissioner is ready, willing, and able to proceed with the Enforcement Action and hereby waives the right to a hearing, and to any reconsideration, appeal, or other right to review which may be afforded pursuant to the FIL. Sweethoney Dessert further expressly waives any requirement for the filing of an Accusation that may be afforded by Government Code section 11415.60, subdivision (b), the Administrative Procedure Act, the Code of Civil Procedure, or any other provision of law; and by waiving such rights, effectively consents to this Consent Order becoming final.

15. This Consent Order, and Sweethoney Dessert’s compliance with it, may be considered as a factor in determining the approval of any future application in accordance with the provisions of the FIL, or any other applicable law. Failure to comply with the other terms of this Consent Order will be grounds for the Commissioner’s denial of the application or the revocation of any subsequently effective franchise registration.

16. This Consent Order shall not become effective until signed by all parties and delivered by the Commissioner’s counsel by email to Sweethoney Dessert’s counsel at dhart@bzbm.com.

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

3  
4 Dated: 4/19/17

JAN LYNN OWEN  
Commissioner of Business Oversight

5  
6 By \_\_\_\_\_  
7 MARY ANN SMITH  
8 Deputy Commissioner

9 SWEETHONEY DESSERT, INC.

10  
11 Dated: 4/11/17

12 By \_\_\_\_\_  
13 ALLEN GUOLIANG YANG  
14 Chief Executive Officer, Shareholder