

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, CONSUMER SERVICES, AND HOUSING AGENCY
DEPARTMENT OF BUSINESS OVERSIGHT

TO: Dharminder Dewan, President
Nurture Kids Inc., doing business as We Nurture Kids and Nurture Kids
227 Saint Nicholas Court
Fremont, CA 94539

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

The Commissioner of Business Oversight finds that:

1. Nurture Kids is an afterschool program doing business at a number of locations in the San Francisco Bay Area. These locations include: 46517 Mission Boulevard, Fremont, CA 94539 (hereinafter “the Warm Springs location”); 160 Fremont Hub Courtyard, Fremont, CA 94538 (hereinafter “the Fremont Hub location”); 4460 Black Avenue, Suite A, Pleasanton, CA 94566 (hereinafter “the Pleasanton location”); and 35459 Dumbarton Court, Newark, CA 94560. Since at least January 2015, the above listed schools have operated under the Nurture Kids name.

2. At all relevant times, Dharminder Dewan was the President of Nurture Kids, Inc., a California corporation doing business as We Nurture Kids and Nurture Kids (hereinafter “Nurture Kids”).

3. Mr. Dewan offers Nurture Kids franchises on the following terms:

- a. Investors pay a \$30,000 fee to open a new location, plus 8.5% revenue sharing remitted on a monthly basis.
- b. Investors may choose the location of the new business with Mr. Dewan’s assistance and prior approval.
- c. Investors’ 8.5% revenue sharing pays for training and marketing that Mr. Dewan controls.

- d. Mr. Dewan provides new franchise locations with curriculum, but investors may customize curriculum according to the demographics and other needs of the areas surrounding new locations.
- e. Mr. Dewan provides plans and assistance to open and operate new franchise locations.
- f. New franchise locations must operate under the Nurture Kids name.
- g. The franchise agreement prohibits Mr. Dewan from licensing or opening other Nurture Kids locations within a 3-mile radius of an investor's new franchise location.

4. In the course of offering Nurture Kids franchise contracts, Mr. Dewan has also made the following representations:

- a. That Nurture Kids has Pleasanton and Warm Springs locations that operate as "franchise-like" models.
- b. Mr. Dewan engages in advertising on the radio and at public events to support all Nurture Kids locations.
- c. Mr. Dewan can provide potential investors with the opportunity to speak with other investors who have set up business under the Nurture Kids name.

5. The Pleasanton and Warm Springs locations of Nurture Kids present themselves to the public under the Nurture Kids name. The Pleasanton and Warm Springs locations also use signage that is substantially similar to the signage used at the Fremont Hub location and the Nurture Kids website (www.wenurturekids.com). The Nurture Kids website advertises all Nurture Kids locations, including the Warm Springs and Pleasanton locations.

6. Nurture Kids has not registered its franchise offers under the Franchise Investment Law and the offers are not exempt under Chapter 1 of California Corporations Code section 31100, et. seq.

Based upon the foregoing findings, the Commissioner of Business Oversight is of the opinion that Dharminder Dewan and Nurture Kids have violated Corporations Code section 31110 by offering Nurture Kids franchises in California that are subject to registration under the Franchise Investment Law without first registering the offers with the Commissioner. Pursuant to section 31402

1 of the Corporations Code, Dharminder Dewan and Nurture Kids are hereby ordered to desist and
2 refrain from the offer or sale of Nurture Kids franchises unless and until the offers have been duly
3 registered under the Franchise Investment Law. This Order is necessary, in the public interest, for the
4 protection of investors and consistent with the purposes, policies and provisions of the Corporate
5 Securities Law of 1968.

6

7 Dated: July 14, 2015

8

9 San Francisco, California

10

JAN LYNN OWEN
Commissioner of Business Oversight

11

12

By: _____

13

MARY ANN SMITH
Deputy Commissioner
Enforcement Division

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28