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

TO: Eric Yun, aka Mansoon Eric Yoon or Eric Man S. Yun
Green on Blue, Inc., dba Yogurberry U.S.A. and Yogurberry Franchising Company
3250 Wilshire Blvd, Suite 810
Los Angeles, CA 90010
or
3368 N. San Fernando Rd., Suite 108
Los Angeles, CA 90065

CITATION
&
DESIST AND REFRAIN ORDER

(For violations of section 31110, 31119, and 31201 of the Corporations Code)

The California Corporations Commissioner (Commissioner) finds that:

1. Eric Yun, aka Mansoon Eric Yun or Eric Man S. Yun, (hereinafter, “Yun”) is a natural person and at all relevant times was a resident of California. Yun is the President and Chief Operating Officer of Green on Blue, Inc. Yun was all times herein mentioned the sole control person of Green on Blue, Inc. Yun’s last known business address is 3368 N. San Fernando Road, Suite 108, Los Angeles, California 90065.

2. Green On Blue, Inc. (hereinafter, “Yogurberry” or “the corporation”) is an active California corporation incorporated on September 12, 2006. The corporation is in the business of franchising “Yogurberry” frozen yogurt outlets as the master franchisor within the United States for a Korean Company called WHOSTYLE Company, Ltd., a Korean Corporation. The corporation does business in California (and elsewhere) as Yogurberry U.S.A. and Yogurberry Franchising Company.

1 Eric Man S. Yun is listed as its registered agent for service of process at 3368 N. San Fernando Road,
2 Suite 108, Los Angeles, California 90065.

3 3. Prior to December 21, 2006, Yogurberry was not registered to offer or sell franchises
4 in California. Nevertheless, in violation of the Franchise Investment Law (hereinafter "FIL") at
5 Corporations Code section 31110, Yun and Yogurberry accepted franchise fees from at least two
6 prospective franchisees prior to December 21, 2006.

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8 4. Unaware of Yun and Yogurberry's previous violations, the Department of
9 Corporations (hereinafter, "the Department") approved Yogurberry's registration to sell franchises in
10 California on December 21, 2006 through April 20, 2007. The Department approved a second period
11 of registration from April 24, 2007 to April 21, 2008. A key component of the Department's
12 approval process was a review of the Uniform Franchise Offering Circular ("UFOC"). The
13 Department required several revisions of the UFOC before final approval of Yogurberry's
14 registration was granted.

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16 5. The purpose of the UFOC is to provide potential franchisees with all the information
17 necessary to make an informed decision as to whether to invest in the franchise opportunity. The FIL
18 requires that each prospective franchisee receive a copy of the UFOC 14 days prior to the date the
19 franchisee signs a binding agreement or provides any consideration to the franchisor.
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22 6. On at least nine separate occasions where franchisees signed agreements and provided
23 consideration to Yogurberry, Yun and Yogurberry failed to provide franchisees with UFOCs in
24 compliance with the FIL at Corporations Codes section 31119.

25 7. Further, in relation to the offer and sales of these franchises, Yun and Yogurberry
26 made the following material misrepresentations and omissions in violation of the FIL at Corporations
27 Code section 31201:
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1 a. Yun and Yogurberry promised minimum net monthly incomes of \$7,000.00 to
2 \$10,000.00 which were never achieved by the franchisees;

3 b. Yun and Yogurberry promised to pay architects, interior designers, contractors, and
4 others to build out “turnkey” ready stores, however these payments were not made or were not made
5 in a timely fashion resulting in substantial delays;

6 c. Yun and Yogurberry promised high quality yogurt powder at competitive prices,
7 however substandard, over-priced yogurt powder was substituted on many occasions resulting in
8 lower profits and customer complaints;

9 d. Yun and Yogurberry promised non-seasonal items like breads, soups, salads, coffees,
10 and teas to off-set the seasonal nature of frozen yogurt, but none were ever forthcoming;

11 e. Yun and Yogurberry promised training that never transpired;

12 f. Yun and Yogurberry promised advertising that never materialized.

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17 Based upon the foregoing findings, the California Corporations Commissioner is of the
18 opinion that Mr. Eric Yun, aka Mansoon Eric Yun or Eric Man S. Yun and Green on Blue, Inc. dba
19 Yogurberry U.S.A. and Yogurberry Franchising Company offered and/or sold franchises in
20 California that were subject to registration under the Franchise Investment Law without the offers
21 first being registered, in violation of Corporations Code section 31110.

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23 Further, the California Corporations Commissioner is of the opinion that Mr. Eric Yun, aka
24 Mansoon Eric Yun or Eric Man S. Yun and Green on Blue, Inc. dba Yogurberry U.S.A. and
25 Yogurberry Franchising Company offered and/or sold franchises in California without providing
26 prospective franchisees with UFOCs in violation of California Corporations Code section 31119.
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1 Further, the California Corporations Commissioner is of the opinion that Mr. Eric Yun, aka
2 Mansoon Eric Yun or Eric Man S. Yun and Green on Blue, Inc. dba Yogurberry U.S.A. and
3 Yogurberry Franchising Company offered and/or sold franchises in California by means of written or
4 oral communications containing untrue statements or omissions of material fact(s) in violation of
5 Corporations Code section 31201.
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7 **ORDER**

8 1. Pursuant to section 31406 of the Corporations Code, Mr. Eric Yun, aka Mansoon Eric
9 Yun or Eric Man S. Yun and Green on Blue, Inc. dba Yogurberry U.S.A. and Yogurberry
10 Franchising Company are hereby ordered to desist and refrain from the further offer or sale of any
11 and all franchises in the state of California, including but not limited to franchises in any and all
12 frozen yogurt outlets under any name(s), unless and until the offers of sale have been duly registered
13 under the Franchise Investment Law, or are exempt.
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15 Further, Mr. Eric Yun, aka Mansoon Eric Yun or Eric Man S. Yun and Green on Blue, Inc.
16 dba Yogurberry U.S.A. and Yogurberry Franchising Company are hereby ordered to desist and
17 refrain from the further offer or sale of any and all franchises in the state of California without first
18 providing prospective franchisees with a UFOC in compliance with Corporations Code section
19 31119.
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21 Mr. Eric Yun, aka Mansoon Eric Yun or Eric Man S. Yun and Green on Blue, Inc. dba
22 Yogurberry U.S.A. and Yogurberry Franchising Company are hereby ordered to desist and refrain
23 from the further offer or sale of any and all franchises in the state of California by means of oral or
24 written statements containing misrepresentations or omissions of material fact within the meaning of
25 Corporations Codes section 31201.
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1 **ADMINISTRATIVE PENALTY**

2 2. Pursuant to section 31406 of the Corporations Code, Mr. Eric Yun, aka Mansoon Eric
3 Yun or Eric Man S. Yun and Green on Blue, Inc. dba Yogurberry U.S.A. and Yogurberry
4 Franchising Company are hereby assessed and ordered to pay, jointly and severally, an administrative
5 penalty of forty- two thousand five hundred dollars (\$42,500). If within sixty (60) days from the
6 receipt of this citation Yun or Yogurberry fails to notify the commissioner that they intend to request
7 a hearing as described in subd. (d) of sec. 31406, the citation shall be deemed final. Subdivision (d)
8 of 31406 provides that any hearing requested under sec. 31406 shall be conducted in accordance with
9 Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the California Govt.
10 Code.
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12 **ANCILLIARY RELIEF**

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14 3. Pursuant to section 31408 of the Corporations Code, Mr. Eric Yun, aka Mansoon Eric
15 Yun or Eric Man S. Yun and Green on Blue, Inc. dba Yogurberry U.S.A. and Yogurberry
16 Franchising Company are hereby ordered to pay, jointly and severally, \$2,339,400.00 for both
17 restitution of out-of-pocket expenses and for rescission of franchise fees, royalty fees and other fees
18 assessed by and paid to Mr. Eric Yun, aka Mansoon Eric Yun or Eric Man S. Yun and Green on
19 Blue, Inc. dba Yogurberry U.S.A. and Yogurberry Franchising Company by nine victim/franchisees.
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4. Pursuant to section 31408 of the Corporations Code, the Commissioner also requests additional relief from the Administrative Law Judge, including an award of attorney's fees and costs in the amount of \$2,500.00 or according to proof.

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

Dated: January 7, 2010
Sacramento, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By: _____
Alan S. Weinger
Deputy Commissioner
Enforcement Division