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9
10 BEFORE THE DEPARTMENT OF CORPORATIONS
11 OF THE STATE OF CALIFORNIA

12	In the Matter of THE CALIFORNIA)	Case Nos.: 995-3723, 995-3844
13	CORPORATIONS COMMISSIONER,)	
14	Complainant,	)	1) STATEMENT IN SUPPORT OF STOP
15	vs.	)	ORDER REVOKING EFFECTIVENESS
16	YAKETY YAK WIRELESS, INC.,	)	OF FRANCHISE REGISTRATION AND
17	Respondent.	)	ORDER REVOKING EFFECTIVENESS
18		)	OF FRANCHISE REGISTRATION
19		)	2) STATEMENT IN SUPPORT OF STOP
20		)	ORDER DENYING EFFECTIVENESS OF
21		)	FRANCHISE REGISTRATION
22		)	APPLICATION AND ORDER DENYING
23		)	EFFECTIVENESS OF FRANCHISE
24)	REGISTRATION APPLICATION
25)	3) CITATIONS
26)	4) DESIST AND REFRAIN ORDER
27)	5) ANCILLARY RELIEF
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2 I.

3 INTRODUCTION

4 The California Corporations Commissioner (hereafter referred to as "Complainant" or
5 "Commissioner") is informed and believes, and based upon such information and belief, finds that
6 Yakety Yak Wireless, Inc. (hereafter referred to as "Respondent" or "Yakety Yak") has violated
7 multiple provisions of the California Franchise Investment Law ("Franchise Investment Law").

8 II.

9 FACTS

10 At all relevant times, Yakety Yak¹ was an Arizona corporation engaged in business activities
11 relating to the franchising of retail outlets offering telecommunications provider services under the
12 trade name "Yakety Yak Wireless." Yakety Yak's principal business address is 3400 Irvine Avenue,
13 Suite 118, Newport Beach, CA 92660. Yakety Yak's parent company is San Clemente Capital ("San
14 Clemente"), an Arizona limited liability company also doing business at the same address.

15 Yakety Yak offers and sells franchises in California as well as other states. Unit franchisees
16 are sold the right to operate Yakety Yak retail stores and/or outlets. Area developer or "master"
17 franchisees purchase the right to develop Yakety Yak retail stores in a specific franchise territory.

18 On September 9, 2005, Yakety Yak filed its initial Uniform Franchise Registration
19 Applications with the California Department of Corporations ("Department") seeking to register its
20 franchise enterprise in this state in compliance with California Corporations Code section 31111 (all
21 section references hereafter are to the California Corporations Code).

22 The franchise registration applications that Yakety Yak submitted for the unit and area
23 developer franchises were each accompanied by a Uniform Franchise Offering Circular ("UFOC")²
24 containing the material information set forth in the application, as required by section 31114.

25 _____
26 ¹ Yakety Yak Holdings, Inc. was registered with the California Secretary of State on October 29, 2001, and Yakety Yak
27 Wireless, Inc. on September 28, 2005. Thomas C. Bozarth is presently listed as the agent for service of process for both
28 corporations.

² The UFOC was replaced by the Uniform Franchise Disclosure Document ("UFDD") which was adopted by the North
American Securities Administrators Association, Inc. on June 22, 2007 and became effective July 1, 2007.

1 As a pre-condition to franchise registration, the Commissioner required Yakety Yak to issue a
2 Notice of Violation on December 23, 2005 because the franchisor had engaged in the offering and
3 selling of unregistered franchises in California in violation of section 31110. The Department
4 thereafter issued an order on January 26, 2006, approving Yakety Yak's franchise registration. In
5 2007 and 2008, Yakety Yak's franchise registration was renewed.

6 Item 2 of the UFOC that Yakety Yak filed with its initial application in September 2005 listed
7 the principal corporate officers as: Chief Executive Officer and President, Yuvi Shmul ("Shmul");
8 Chief Marketing Officer and Co-Chairman, James F. Kindred ("Kindred"); and Chief Operating
9 Officer and Co-Chairman, Jared Turner ("Turner").

10 The UFOC that Yakety Yak filed on March 20, 2007 disclosed that Thomas C. Bozarth
11 ("Bozarth") took over as President of Yakety Yak, although Shmul remained on the Board as a
12 Director. Additionally, the 2007 UFOC listed Philip Stooksbury ("Stooksbury") as the Secretary and
13 Controller of Yakety Yak.

14 Play N Trade Franchise, Inc. ("Play N Trade") offers franchises to own and operate retail
15 outlets selling new and used video games and consoles. In May 2006, Play N Trade filed its first
16 franchise registration application to offer and sell both area developer and unit franchises in
17 California.

18 At all relevant times, both the Yakety Yak and Play N Trade franchises were managed from
19 the same Newport Beach location by T-Street Management, Inc. ("T-Street Management").³
20 However, Yakety Yak did not disclose its affiliation with Play N Trade in Item 1 of the UFOC until it
21 filed the 2008 franchise renewal application, and only after the issue was raised by the Department.

22 On March 30, 2009, Yakety Yak again filed an application to renew the registration of the
23 franchise.

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28 ³ T-Street Management, Inc. was registered with the California Secretary of State on May 9, 2006. Thomas C. Bozarth is presently listed as its agent for service of process.

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2 III.

3 CALIFORNIA FRANCHISE INVESTMENT LAW VIOLATIONS

4 The Commissioner finds that Yakety Yak has committed multiple violations of the California
5 Franchise Investment Law, including, but not limited to, the following:

6 A. UNREGISTERED, NON-EXEMPT OFFERS TO SELL A FRANCHISE IN
7 VIOLATION OF SECTION 31110.

8 Section 31110 prohibits the offer or sale of any franchise in this state unless the offer has been
9 registered with the Department or exempted from registration pursuant to the provisions of the
10 Franchise Investment Law. Section 310.100.2 of Title 10 of the California Code of Regulations
11 (sections of Title 10 of the California Code of Regulations hereafter referred to as "CCR") exempts
12 from registration certain franchise offerings made with terms different than those of the registered
13 offer. In order for a franchise offer to be exempt from registration in California, CCR 310.100.2(a)
14 requires that all of the following conditions be met:

- 15 (1) When the prospective franchisee receives the offering circular, he or she also receives
16 copies of all Notices of Negotiated Sale of Franchise filed with the Commissioner within
17 the last 12 months, if any.
- 18 (2) Before selling another franchise, the franchisor amends its registered offer to disclose:
19 "The terms of Item(s) _____ of this Offering Circular have been negotiated with
20 other franchisees. A copy of all Negotiated Sales Notices filed in California in the last
21 twelve months is attached as Exhibit _____." This disclosure should be made in the
22 UFOC Item that was negotiated or in an appendix to the UFOC. This disclosure must be
23 made if the negotiated sale occurred within twelve months of the offering being made. An
24 amendment making only this disclosure is effective when filed.
- 25 (3) The Notice of Negotiated Sale of Franchise in the form set forth in subsection (b) is filed
26 with the Commissioner within 15 business days after the negotiated sale is consummated.
- 27 (4) The franchisor certifies or declares in an appendix to its application for renewal that all
28 notices have been filed with the Commissioner as required by paragraph (a)(4) (see
Section 310.122 of these rules).

1 UNIT FRANCHISE VIOLATIONS

2 On August 31, 2006, Yakety Yak sold a unit franchise store in Stockton, California for the
3 price of \$12,500. Item 5 of the UFOC in effect at the time of purchase disclosed that the minimum
4 purchase price for one unit store was \$15,000. At no time within 15 business days after
5 consummating the sale of the Stockton franchise did Yakety Yak file a Notice of Negotiated Sale

1 with the Commissioner as required by subdivision (3) of CCR 310.100.2(a).

2 Additionally, on May 4, 2007, Yakety Yak entered into a unit franchise contract with a
3 Huntington Beach franchisee for the price of \$15,000. Item 5 of the UFOC in effect at the time of
4 purchase disclosed that the minimum purchase price for a unit franchise was \$20,000. At no time
5 within 15 business days after consummating the sale of the Huntington Beach franchise did Yakety
6 Yak file a Notice of Negotiated Sale with the Commissioner as required by subdivision (3) of CCR
7 310.100.2(a).

8 Yakety Yak's negotiated offers to sell unit franchise stores for reduced fees does not fall
9 within the exemption under CCR 310.100.2, and thus were non-exempt, unregistered offers.
10 Accordingly, failing to file notice that Yakety Yak had negotiated different sales terms with a
11 franchisee within the past 12 months was a direct violation of section 31110.

12 2. AREA DEVELOPER FRANCHISE VIOLATIONS

13 On or about September 9, 2005, Yakety Yak filed with the Department a UFOC setting the
14 area developer fee at \$100,000. Item 5 of the UFOC stated: "The initial master franchise fee may be
15 modified due to various subjective factors. . . [b]ut the master franchise fee under this circular will
16 not exceed \$100,000 unless the territory is larger than 4,000,000 people. "

17 On or about February 28, 2006, Yakety Yak executed a master franchise agreement with an
18 initial franchise fee of \$130,000 for a territory including the counties of Santa Clara, Alameda,
19 Contra Costa, Solano, and Napa. This same agreement provided for a term of ten years although
20 Item 17 of the registered UFOC only allowed for a term of five years.

21 On or about March 2, 2006, Yakety Yak executed an area developer franchise agreement for
22 San Diego and Imperial counties with a discounted initial franchise fee of \$60,000. Additionally,
23 Yakety Yak reduced the amount of the monthly franchise fee that the master franchisee was required
24 to pay pursuant to the "Minimum Performance" clause to only a third of the amount of fees disclosed
25 in the registered franchise agreement (e.g., from \$90,000 to \$30,000). This same agreement provided
26 for a contract term of fifteen years although Item 17 of the registered UFOC disclosed a maximum
27 term of five years.

28 At no time within 15 business days after consummating the sale of any of these franchises did

1 Yakety Yak file a Notice of Negotiated Sale with the Commissioner as required by subdivision (3) of
2 CCR 310.100.2(a). The offers that Yakety Yak negotiated on different terms do not fall within the
3 exemption under CCR 310.100.2, and thus were non-exempt, unregistered offers. A prospective
4 franchisee considering whether to purchase a Yakety Yak franchise would reasonably consider the
5 franchisor's willingness to negotiate discounted franchise fees and longer contract terms with other
6 franchisees within the prior 12 months to be material information. Accordingly, failing to file notice
7 that Yakety Yak had negotiated different sales terms with a franchisee within the past 12 months was
8 a direct violation of section 31110.

9 Yakety Yak has negotiated several franchise contracts on multiple terms without registering
10 the negotiated offers with the Commissioner as required by CCR 310.100.2(a)(3). These negotiated
11 sales were not isolated incidents. Yakety Yak's conduct demonstrates a willful pattern and practice
12 of disregard for fundamental disclosure requirements of the Franchise Investment Law and
13 constitutes a violation of section 31110.

14 **B. MATERIAL MISSTATEMENTS OR OMISSIONS IN A FRANCHISE**
15 **REGISTRATION APPLICATION FILED WITH THE COMMISSIONER IN**
16 **VIOLATION OF SECTION 31200.**

17 Corporations Code section 31200 provides:

18 It is unlawful for any person willfully to make any untrue statement of a material fact in any
19 application, notice or report filed with the commissioner under this law, or willfully to omit to
20 state in any such application, notice or report any material fact which is required to be stated
therein, or fail to notify the commissioner of any material change as required by Section 31123.

21 Yakety Yak violated section 31200 by filing franchise applications with the Commissioner
22 which failed to disclose: (1) the identity of the franchisor's affiliate; (2) non-exempt negotiated sales;
23 and, (3) litigation alleging material violations of a franchise law.

24 **1. FRANCHISOR AFFILIATES**

25 When Yakety Yak filed its franchise registration renewal application on March 20, 2007, the
26 Department's *Guidelines for Franchise Registration* contained instructions for disclosing the identity
27 of the franchisor, its predecessors, and affiliates in Item 1 of the UFOC:
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1 Affiliate in Item 1 means a person (other than a natural person) controlled by, controlling, or
2 under common control with the franchisor, which is offering franchises in any line of business
3 or is providing products or services to the franchisees of the franchisor.

4 The UFOC that Yakety Yak filed with the Commissioner in 2007 failed to disclose in Item 1
5 that Play N Trade was an affiliate company. The only “affiliate” disclosed in Item 1 was T-Street
6 Management, whose role was described as follows:

7 On May 9, 2006, YYW’s affiliate, T-Street Management, Inc. (“TSM”) was formed as a
8 California Corporation. TSM shares facilities with YYW . . . and is a management
9 organization that provides general office administrative support, accounting and bookkeeping
10 services, and franchise marketing and support services to YYW in exchange for
11 reimbursement of related direct expenses of TSM to do so.

12 In Item 2 of the 2007 UFOC, which is the section containing information about the prior five-
13 year business experience of the franchisor’s principal officers, it was disclosed that Bozarth, Turner,
14 Kindred, and Stooksbury all held executive positions on the board of T-Street Management. There
15 was no reference to the fact that both Bozarth and Shmul would be concurrently acting as Co-Chief
16 Executive Officers of Play N Trade. Item 2 further disclosed that Stooksbury was the Corporate
17 Secretary of T-Street Management but failed to inform that he was also named the Secretary of Play
18 N Trade in May 2006.

19 The Commissioner finds that Play N Trade should have been disclosed as an affiliate of
20 Yakety Yak in the franchise registration application filed in 2007 because both franchisors were
21 controlled by, or under the common control of, the same principals. At least five of Yakety Yak’s
22 executive officers – Shmul, Bozarth, Turner, Kindred, and Stooksbury – either concurrently or
23 subsequently held executive positions with Play N Trade. Further evidencing a commonality of
24 control between the two franchisors, Yakety Yak and Play N Trade were located in the same office
25 building and managed by the same management company, T-Street Management. Yakety Yak and
26 Play N Trade conducted the training of their franchisees at the same facility in Newport Beach, using
27 shared personnel and resources. As early as June 2006, Shmul sent official correspondence to
28 franchisees identifying himself as the “Chief Executive Officer” of both Yakety Yak and Play N
Trade. Finally, Shmul often referred to Play N Trade as Yakety Yak’s “sister company” and

1 negotiated franchise contracts on behalf of both franchisors.

2 Yakety Yak and Play N Trade are clearly affiliates that were at all relevant times under the
3 common control of Shmul, Bozarth, and/or T-Street Management. The identity of an affiliate is
4 material information required to be disclosed in the UFOC. By failing to disclose Play N Trade as an
5 affiliate in Item 1 of the 2007 UFOC, Yakety Yak willfully made an untrue statement of material fact
6 in the franchise registration application filed with the Commissioner, in violation of section 31200.

7 2. NEGOTIATED SALES

8 The franchise renewal application that Yakety Yak submitted to the Commissioner on March
9 20, 2007 failed to disclose that negotiated sales, including but not limited to the August 2006 sale of
10 the Stockton franchise, had occurred during the previous 12 months. Despite this willful
11 misrepresentation or omission, Yakety Yak's president at the time, Bozarth, executed the declaration
12 to the application averring under penalty of law that the statements made in the franchise renewal
13 application and exhibits attached thereto were true and correct, in violation of section 31200.

14 3. LITIGATION

15 On November 14, 2007, a civil complaint alleging breach of contract was filed in Orange
16 County Superior Court (Case No. 07CC11930) against Yakety Yak, Play N Trade, San Clemente,
17 Shmul, Bozarth, and several other affiliates. The plaintiff alleged he was wrongfully terminated from
18 his position as the former Vice President of Marketing for Yakety Yak's affiliate, Play N Trade. In
19 September 2008, the lawsuit was dismissed with prejudice pursuant to a confidential out-of-court
20 settlement agreement between the parties.

21 Item 3 of the UFOC requires, in relevant part, disclosure of whether the franchisor or an
22 affiliate offering franchises under the franchisor's principal trademark has a civil action pending
23 against that person which is not merely incidental to business but makes material allegations such as
24 a violation of a franchise, antitrust or securities law, fraud, unfair or deceptive practices, or
25 comparable allegations. Disclosure is required of any action that is significant in the context of the
26 number of franchisees and the size, nature or financial condition of the franchise system or its
27 business operations.

28 The civil suit alleged, among other things, that the principals of Yakety Yak and Play N Trade

1 had structured the corporate entities with the intent to insulate themselves from liability and thereby
2 “defraud potential creditors,” including franchisees. The complaint further alleged that the two
3 companies were a “house of cards” and that the officers had “committed blatant violations of
4 franchise laws” and tax fraud.

5 In the franchise renewal application it filed on April 17, 2008, Yakety Yak failed to disclose
6 the Orange County lawsuit in Item 3 of the UFOC. Any prospective Yakety Yak franchisee would
7 certainly be interested in investigating the merits of the claims that the franchisor was
8 undercapitalized and had “committed blatant violations of franchise laws.”

9 Yakety Yak violated section 31200 by willfully misstating, or omitting to state, material facts
10 when filing its franchise renewal applications with the Commissioner. Yakety Yak knew, or should
11 have known, that representations made in the renewal applications were in fact false and misleading,
12 and the omissions material.

13 C. FAILURE TO NOTIFY THE COMMISSIONER OF MATERIAL CHANGES MADE TO
14 TERMS OF REGISTERED FRANCHISE OFFER IN VIOLATION OF SECTION 31123.

15 Corporations Code section 31123 provides in pertinent part:

16 A franchisor shall promptly notify the commissioner in writing, by an application to amend
17 the registration, of any material change in the information contained in the application as
18 originally submitted, amended or renewed. . . .

19 As established by the foregoing facts, on multiple occasions throughout 2006 and 2007,
20 Yakety Yak materially modified the terms of its registered franchise offer without filing an
21 amendment with the Commissioner as required under section 31125. Yakety Yak’s failure to notify
22 the Commissioner in writing of the material changes made in the terms of its registered franchise
23 offer was a violation of section 31123.

24 D. PATTERN AND PRACTICE OF FAILURE TO COMPLY WITH THE FRANCHISE
25 INVESTMENT LAW.

26 Corporations Code section 31115 provides in pertinent part:

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1 The commissioner may summarily issue a stop order denying the effectiveness of or
2 suspending or revoking effectiveness of any registration if the commissioner finds:

3 (a) That there has been a failure to comply with any of the provisions of this law or the rules
4 of the commissioner pertaining thereto.

5 (b) That the offer or sale of the franchise would constitute misrepresentation to, or deceit or
6 fraud of the purchasers. . . .

7 In addition to the violations of the Franchise Investment Law committed by Yakety Yak,
8 Shmul, and Bozarth, as specified herein, the Commissioner has also found that multiple violations of
9 the Franchise Investment Law have been committed by Shmul and Bozarth in affiliation with Yakety
10 Yak's "sister company" Play N Trade, including but not limited to violations of sections 31110,
11 31200, and 31123. Accordingly, the Commissioner is of the opinion that the offer or sale of the
12 Yakety Yak franchise would constitute misrepresentation to, or deceit or fraud of the purchasers in
13 violation of subdivision (b) of section 31115.

14 IV.

15 STOP ORDER REVOKING EFFECTIVENESS OF FRANCHISE REGISTRATION

16 Pursuant to Corporations Code section 31115, and based on the foregoing evidence of a
17 willful pattern and practice of conducting business in violation of the California Franchise Investment
18 Law, the registration of the offer and sale of franchises filed by Yakety Yak Wireless, Inc. on April
19 17, 2008, and ordered effective through April 20, 2009, is hereby revoked.

20 V.

21 STOP ORDER DENYING EFFECTIVENESS OF
22 FRANCHISE REGISTRATION APPLICATION

23 Pursuant to Corporations Code section 31115, and based on the foregoing evidence of a
24 willful pattern and practice of conducting business in violation of the California Franchise Investment
25 Law, the franchise registration renewal application of Yakety Yak Wireless, Inc., filed on March 30,
26 2009, is hereby denied.

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VI.

CITATIONS

Corporations Code section 31406 states:

- (a) If, upon inspection or investigation, based upon a complaint or otherwise, the commissioner has cause to believe that a person is violating any provision of this division or any rule or order promulgated pursuant to this division, the commissioner may issue a citation to that person in writing describing with particularity the basis of the citation. Each citation may contain an order to desist and refrain and an assessment of an administrative penalty not to exceed two thousand five hundred dollars (\$2,500.00) per violation and shall contain reference to this section, including the provisions of subdivision (c). All penalties collected under this section shall be deposited in the State Corporations Fund.
- (b) The sanctions authorized under this section shall be separate from, and in addition to, all other administrative, civil, or criminal remedies.
- (c) If within 60 days from the receipt of the citation, the person cited fails to notify the commissioner that the person intends to request a hearing as described in subdivision (d), the citation shall be deemed final.
- (d) Any hearing under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part I of Division 3 of Title 2 of the Government Code.
- (e) After the exhaustion of the review procedures provided for this section, the commissioner may apply to the appropriate superior court for a judgment in the amount of the administrative penalty and order compelling the cited person to comply with the order of the commissioner. The application shall include a certified copy of the final order of the commissioner and shall constitute a sufficient showing to warrant the issuance of the judgment and order.

The foregoing facts establish that Yakety Yak Wireless, Inc. has committed multiple violations of the California Franchise Investment Law in the course of conducting business with no less than 30 California franchisees since the date of its initial franchise registration in California.

Pursuant to section 31406, Yakety Yak Wireless, Inc. is hereby ordered to pay the Commissioner 30 citations of \$2,500 each in the total sum of seventy-five thousand dollars (\$75,000), or according to proof. All citation payments are due and payable by 30 days after this order becomes final.

VII.

DESIST AND REFRAIN ORDER

The Commissioner finds that beginning as early as January 1, 2006, Yakety Yak Wireless, Inc., Yuvi Shmul, and Thomas C. Bozarth violated multiple provisions of the California Franchise Investment Law, including but not limited to Corporations Code sections 31110, 31200, and 31123,

1 as set forth in greater detail herein. Pursuant to section 31406 of the Corporations Code, Yakety Yak
2 Wireless, Inc., Yuvi Shmul, and Thomas C. Bozarth are hereby ordered to desist and refrain from:

3 (a) Making unregistered, non-exempt offers to sell a franchise in violation of section 31110;

4 (b) Making material misstatements or omissions in a franchise registration application filed
5 with the Commissioner in violation of section 31200; and,

6 (c) Failing to notify the Commissioner of material changes made to the terms of the registered
7 franchise offer in violation of section 31123.

8 VIII.

9 ANCILLARY RELIEF

10 Corporations Code section 31408 provides:

11 (a) If the commissioner determines it is in the public interest, the commissioner may include
12 in any administrative action brought under this division, including a stop order, a claim for
13 ancillary relief, including, but not limited to, a claim for rescission, restitution or
14 disgorgement or damages on behalf of the persons injured by the act or practice constituting
15 the subject matter of the action, and the administrative law judge shall have jurisdiction to
16 award additional relief. The person affected may be required to attend remedial education, as
17 directed by the commissioner.

18 RESCISSION ORDER

19 Due to the Commissioner's finding that Yakety Yak Wireless, Inc. has committed multiple
20 violations of the California Franchise Investment Law, all Yakety Yak franchisees shall be afforded
21 the right to rescind any contract for the purchase of a California franchise.

22 RESTITUTION ORDER

23 Yakety Yak Wireless, Inc. is hereby ordered to pay restitution to every California franchisee
24 in the amount of the full or partial franchise fee that it collected from each franchisee.

25 IX.

26 CONCLUSION

27 Based upon the foregoing findings, the California Corporations Commissioner is of the
28 opinion that Yakety Yak Wireless, Inc. has failed to comply with multiple provisions of the
California Franchise Investment Law within the meaning of sections 31110, 31200, 31123, and
31115(a).

1 WHEREFORE, the California Corporations Commissioner hereby issues the following orders
2 and seeks such additional relief as follows:

- 3 1. An order issued to revoke the effectiveness of the Yakety Yak Wireless, Inc. franchise
4 registration pursuant to Corporations Code section 31115(a);
- 5 2. An order issued to deny the effectiveness of the pending Yakety Yak Wireless, Inc.
6 franchise registration renewal application pursuant to Corporations Code section
7 31115(a);
- 8 3. An order issued to pay citations in the amount of \$75,000 to the State Corporations Fund
9 within 30 days of the date this order becomes final;
- 10 4. Yakety Yak Wireless, Inc., Yuvi Shmul, and Thomas C. Bozarth are hereby ordered to
11 desist and refrain from further violations of the California Franchise Investment Law,
12 including but not limited to violations of Corporations Code sections 31110, 31200, and
13 31123, as specified above;
- 14 5. All franchisees of Yakety Yak Wireless, Inc. shall have the right to rescind any contract
15 for the purchase of a California franchise;
- 16 6. It is further ordered that Yakety Yak Wireless, Inc. pay restitution in the amount of the
17 franchise fee to each California franchisee to which it sold a franchise.
- 18 7. For the Complainant’s costs and reasonable attorneys fees, according to proof;
- 19 8. And, for such other and further relief as the nature of the case may require and the court
20 deems proper.

21 Based on the foregoing facts establishing multiple violations of the California Franchise
22 Investment Law by Yakety Yak Wireless, Inc., Yuvi Shmul, and Thomas C. Bozarth, the issuance of
23 the aforementioned citations and orders, and provision of ancillary relief, is necessary, in the public

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1 interest, for the protection of investors, and consistent with the purposes, policies, and provisions of
2 the California Franchise Investment Law.

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4 Dated: April 14, 2009
5 Los Angeles, California

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PRESTON DUFAUCHARD
California Corporations Commissioner

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By: _____
ALAN S WEINGER
Acting Deputy Commissioner
Enforcement Division

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