

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, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: David Funk, President
Sally Kline, Vice President
Beyond Juice, dba Beyond Juice Inc.
10170 Splendor Ridge Avenue
Las Vegas, Nevada 89135

O.L.D., Incorporated
3155 E. Patrick Lane, Suite 1
Las Vegas, Nevada 89120-3481

Morrie Friedman, President, Secretary and Treasurer
O.L.D., Incorporated
6075 South Eastern Avenue, Suite 1,
Las Vegas, Nevada 89119-3146

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

The California Corporations Commissioner finds that:

1. Beyond Juice, a Nevada corporation, which does business as Beyond Juice Inc., (referred to hereafter as “Beyond Juice”) has a registered place of business at 10170 Splendor Ridge Avenue, Las Vegas, Nevada 89135. David Funk is the President and Sally Kline is the Vice President of Beyond Juice. Beyond Juice also has or had places of business at 22615 Mobile Street, West Hills, California 91307 and 7750 East Gelding Street, Suite 2, Scottsdale, Arizona, 85260.

2. O.L.D., Incorporated is a Nevada corporation with a registered place of business at 3155 E. Patrick Lane, Suite 1, Las Vegas, Nevada 89120-3481. Morrie Friedman is the President, Secretary and Treasurer of O.L.D., Incorporated whose registered address is 6075 South Eastern Avenue, Suite 1, Las Vegas, Nevada 89119. The Beyond Juice Website describes Morrie Friedman as one of the

1 original founders of Beyond Juice and states that he is “still fully active in the venture.” Morrie
2 Friedman and O.L.D., Incorporated act as agents on behalf of Beyond Juice in the sales of Beyond
3 Juice retail restaurant franchises and in leasing space for the restaurants.

4
5 3. Beyond Juice are the sellers of franchise opportunities described as “licenses” to own and
6 operate retail restaurants, called Beyond Juice Cafés that serve blended juice drinks also referred to in
7 promotional literature as “Meal In A Cup”. The Beyond Juice Website (www.beyondjuice.com)
8 advertises the franchise opportunity and indicates that the franchise can be purchased for between
9 \$199,500 and \$275,000 depending on local construction and real estate considerations.

10
11 4. A Beyond Juice License Agreement entered into with a California resident provided for a
12 total purchase price of \$235,000. For this amount Beyond Juice promised to provide a complete
13 “turnkey” operation including a complete retail facility including lease deposits, leasehold
14 improvements, equipment and inventory consisting of 120 lbs of “Basic Blend Formula”. The
15 purchaser was required to pay “License Fees” of \$3,500 the first year, \$4,900 the second and
16 increasing each year until payments of \$12,500 are required for years 6-10 and \$13,000 for all
17 additional years. The agreement provided that the purchaser deliver to Beyond Juice an initial
18 payment of \$30,000 with an additional payment of \$28,750 to be paid upon the finding of an
19 acceptable location.

20 5. The agreement specified Beyond Juice will “immediately begin lease negotiations on the
21 mutually agreed site(s) chosen by the parties” and Beyond Juice “are totally responsible for these
22 lease negotiations as well as the contingent liability thereto, and will at the time of the occupancy
23 provide an ‘Occupancy Agreement’” to the purchaser. The agreement also provided that at the
24 conclusion of the lease negotiations the purchaser would pay another \$30,000 to Beyond Juice. The
25 “Disclosure” section of the license agreement states “the store owner must purchase all Company
26 Formulas at all times from Company. Store is leased by O.L.D. Inc. and must be operated as a
27 Beyond Juice unit. If it is not operated as a Beyond Juice unit, O.L.D. may act independently to
28 protect its liability.”

1 6. Beyond Juice provides purchasers with training, as well as start up support that includes
2 assistance in selecting wholesale suppliers, selection and preparation of store location, hiring and
3 training personnel, handling and establishing protocol, and merchandising. Purchasers are also
4 entitled to ongoing assistance and advice relating to operation of the business. Purchasers are entitled
5 to use the marks and associated trade names, trademarks, service marks, logotypes and other
6 commercial symbols associated with Beyond Juice. Purchasers must comply with graphics
7 standardization, basic menus, conceptual integrity, and standards of service to the general public and
8 purchase ingredients for the various juice drinks from Beyond Juice.
9

10
11 7. Beyond Juice has offered and sold franchises to residents of California. The offer of
12 franchises by Beyond Juice has not been registered under the California Franchise Investment Law
13 and is not exempt under Chapter 1, beginning with Corporations Code section 31100 of that law.

14 Based upon the foregoing findings, the California Corporations Commissioner is of the
15 opinion that Beyond Juice, doing business as Beyond Juice Inc., O.L.D. Incorporated, Morris
16 Friedman, David Funk and Sally Kline have offered and sold franchises in California that were
17 subject to registration under the Franchise Investment Law without the offers first being registered, in
18 violation of Corporations Code section 31110. Pursuant to section 31402 of the Corporations Code,
19 Beyond Juice doing business as Beyond Juice Inc., O.L.D. Incorporated, Morrie Friedman, David
20 Funk and Sally Kline are hereby ordered to desist and refrain from the further offer or sale of
21 franchises, including but not limited to Beyond Juice franchises in California unless and until the

22 ///

23 ///

24 ///

25 ///

26 ///

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

offers have been duly registered under the Franchise Investment Law or unless exempt.

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

Dated: April 28, 2006
Los Angeles, California

WAYNE STRUMPFER
Acting California Corporations Commissioner

By _____
ALAN S. WEINGER
Acting Deputy Commissioner
Enforcement Division