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

TO: Lisa Bongi
President
The Cure Service Group, Inc.
3925 Ridgemont Drive
Malibu, CA 90265-4904
File No. 993-5160

Rick Stonell aka Rick Stowell
The Cure Service Group, Inc.
3925 Ridgemont Drive
Malibu, CA 90265-4904

DESIST AND REFRAIN ORDER

(For violations of section 31110 of the Corporations Code)

The California Corporations Commissioner finds that:

1. The Cure Service Group, Inc. is a Washington corporation that was formed on January 2, 2002. Its principal place of business is 106 NW 36th Street, Seattle, Washington 98107. In or around 2002, The Cure Service Group, Inc. began offering franchises for the operation of water damage restoration services, carpet cleaning services, related cleaning services and ancillary products. On March 29, 2004, the company filed an application for franchise registration pursuant to Corporations Code section 31121 for registration to sell franchises under the name 1-800-Water Damage in California.

1 2. The California Department of Corporations issued an Order approving Franchise
2 registration on June 4, 2004. A renewal application was filed on March 27, 2006, with the California
3 Department of Corporations.

4 3. During the period from January 2, 2002, through June 4, 2004, prior to and during the
5 pendency of the application for registration, The Cure Service Group, Inc. sold unregistered
6 franchises under the name of 1-800-Water Damage and Cure Water Damage to California residents
7 in violation of Corporations Code section 31110.

8 4. Rick Stonell aka Rick Stowell was the Chief Executive Officer of The Cure Service
9 Group, Inc. and from the date of incorporation to December 16, 2005, acted as one of its principal
10 officers and directors in fact, exercising management responsibility and control with regard to all
11 facets of its operations, including the franchises offered by the company. In addition, at all times
12 mentioned herein, Rick Stonell aka Rick Stowell was personally involved in the sale of franchises
13 during the time period when The Cure Service Group, Inc. was not registered.

14 5. Lisa Bongi was the Director of Operations for the Cure Water Damage, Inc., from January,
15 1997 to May, 1998. Lisa Bongi was the President of The Cure Service Group, Inc., from January 2,
16 2002 to December 16, 2005. As of December 16, 2005, Lisa Bongi is the President, Vice-President,
17 Secretary and Treasurer of the Cure Service Group, Inc.

18 6. From June 4, 2004, to the present, The Cure Service Group, Inc., offered franchises to
19 California residents and failed to disclose the sale of five unregistered franchises from 2002 to 2004
20 in violation of Corporations Code section 31200.

21 7. While offering franchise opportunities from 2002 to the present, The Cure Service Group,
22 Inc., Rick Stonell aka Rick Stowell and Lisa Bongi failed to disclose a 1992 lawsuit filed in Contra
23 Costa County, California for unlawful and unfair business practices that resulted in an adverse
24 judgment and fine on August 30, 1993

25 8 While offering franchise opportunities from 2002 to the present, The Cure Service Group,
26 Inc., Rick Stonell aka Rick Stowell and Lisa Bongi failed to disclose a 1994 lawsuit filed in Contra
27 Costa County, California for conversion and fraud that resulted in an adverse judgment on January 7,
28 1994.

