

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: Butterfly Fitness, Inc.
Mark Golob
2405 San Ramon Valley Boulevard, Suite 200
San Ramon, California 94583

DESIST AND REFRAIN ORDER
(For violations of sections 31203 and 31200 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Butterfly Fitness, Inc. (Butterfly) was incorporated in California in 2003 with a principal business address of 2404 San Ramon Valley Boulevard, Suite 200, San Ramon, California 94583. Butterfly began offering franchises for the operation of fitness and weight loss centers. Butterfly was initially registered to sell franchises in 2003, using any of the following names: Butterfly Fitness, Butterfly Life or Butterfly Fitness and Spa.
2. At all relevant times, Mark Golob was the President and founder of Butterfly.
3. On April 13, 2004, the Department of Corporations approved Butterfly's renewal application with the condition to the effectiveness of the registration of the offer or sale of franchises that Butterfly defer the collection of initial franchise fees until the franchisee has completed the initial training.
4. From April 13, 2004 through April 20, 2005 Butterfly accepted the initial franchise fee from franchisees prior to the franchisees completing the initial training.
5. Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that Butterfly Fitness, Inc., and Mark Golob, violated a condition to the effectiveness of

1 the registration of the offer or sale of franchises in violation of the Corporations Code section 31203.
2 Pursuant to section 31406 of the Corporations Code, Butterfly Fitness, Inc and Mark Golob are
3 hereby ordered to desist and refrain from the further offer or sale of Butterfly Fitness franchises
4 unless and until all conditions to registration are met.

5 6. Additionally, the California Corporations Commissioner is of the opinion that,
6 Butterfly Fitness, Inc. and Mark Golob willfully made an untrue statement of material fact in the
7 renewal application filed with the commissioner in violation of section 31200 of the Corporations
8 Code. Pursuant to section 31406 of the Corporations Code, Butterfly Fitness, Inc. and Mark Golob
9 are hereby ordered to desist and refrain from making any untrue statement of material fact in any
10 application filed with the commissioner.

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

13 Dated: March 24, 2009
14 Sacramento, California



15 PRESTON DuFAUCHARD
16 California Corporations Commissioner

17
18 By:

A handwritten signature in blue ink, appearing to read "Alan S. Weinger", is written over a horizontal line.

19 ALAN S. WEINGER
20 Acting Deputy Commissioner
21 Enforcement Division