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

TO: Be-Thin, Inc.
200 White Plains Road
Tarrytown, New York 10591

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

The California Corporations Commissioner finds that:

1. At all relevant times Be-Thin, Inc., is a Delaware corporation, previously known as Be Thin, LLC, dba The Center for Medical Weight Loss, Be-Thin, LLC, dba The Center for Medical Weight Loss, Be Thin, LLC, Be-Thin, LLC, and CMWL, LLC (hereinafter collectively "The Center "). The Center is an entity purportedly in the business of selling proprietary physician weight loss and marketing programs to practicing licensed physicians.

2. At all relevant times, The Center conducted business at 200 White Plains Road, Tarrytown, New York 10591 and/or 505 White Plains Road, Tarrytown, New York 10591-5125. The Center maintains a website located at www.centerformedicalweightloss.com.

3. Beginning in or about 2006, and continuing thereafter, The Center entered into agreements with at least fourteen (14) practicing California-licensed physicians to establish medical weight-loss centers within the State of California. Pursuant to an agreement entitled, "Marketing Services and Licensing Agreement," The Center granted franchisees the right to engage in the operation of a "proprietary physician weight loss and marketing program." The franchisee is entitled, among other things, to use the The Center's trade name to run his or her medical weight-loss business. In addition, the franchisee is allowed to participate in a two-day training seminar, programming and routing of calls to The Center's toll-free service from the specific zip codes in which the franchisee conducts his or her business, inclusion of the franchisee's location on The Center's website, an instructional video of in-office medical consultations, and the provision of

1 manuals, medico-legal materials, and The Center's promotional materials, including camera ready
2 artwork. Furthermore, franchisees are granted the right to participate in The Center's local, regional,
3 and national advertising and marketing campaigns, continued use of The Center's copyrighted
4 advertising and marketing materials, use of The Center's professional media buying service to
5 purchase advertising on behalf of the franchisee, an ongoing office listing on The Center's website,
6 ongoing support from The Center's founder, and the benefits of The Center's goodwill and brand
7 recognition. Finally, franchisees are required to post a visible sign or decal at his or her place of
8 business, indicating participation with The Center.

9 4. In exchange for the foregoing rights and benefits, franchisees pay a set-up, training,
10 and exclusivity fee of at least \$14,995.00, in addition to a monthly "membership fee" of at least
11 \$495.00, and a monthly advertising and media contribution of at least \$2,600.00.

12 5. These agreements constitute a franchise as defined by Corporations Code section
13 31005.

14 6. These franchises were offered or sold in this state.

15 7. The Department of Corporations has not issued a registration to Be-Thin, Inc., Be
16 Thin, LLC, dba The Center for Medical Weight Loss, Be-Thin, LLC, dba The Center for Medical
17 Weight Loss, Be Thin, LLC, Be-Thin, LLC, or CMWL, LLC, for the offer or sale of any franchise in
18 this state. Additionally, the offer or sale of any franchise of The Center is not exempt from
19 registration.

20 Based upon the foregoing findings, the California Corporations Commissioner is of the
21 opinion that Be-Thin, Inc., Be Thin, LLC, dba The Center for Medical Weight Loss, Be-Thin, LLC,
22 dba The Center for Medical Weight Loss, Be Thin, LLC, Be-Thin, LLC, and CMWL, LLC, has/have
23 offered The Center franchises in California that are subject to registration under the Franchise
24 Investment Law, in violation of Corporations Code section 31110. Pursuant to section 31402 of the
25 Corporations Code, Be-Thin, Inc., Be Thin, LLC, dba The Center for Medical Weight Loss, Be-Thin,
26 LLC, dba The Center for Medical Weight Loss, Be Thin, LLC, Be-Thin, LLC, and CMWL, LLC,
27 is/are hereby ordered to desist and refrain from the further offer or sale of The Center franchises
28 unless and until the offer has been duly registered under the Franchise Investment Law or unless

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

3 Dated: August 20, 2008
4 Los Angeles, California

5 PRESTON DuFAUCHARD
6 California Corporations Commissioner

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8 By _____
9 ALAN S. WEINGER
10 Acting Deputy Commissioner
11 Enforcement Division
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