

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING)
whether there has been a violation of the)
Franchise Investment Protection Act of)
Washington by:)
Levan Group, LLC d.b.a. BlackBall Dessert)
House and Black Ball Taiwanese Desserts,)
LLC; Nathan C. Van f.k.a. Nghia Van, and)
d.b.a. Blackball Franchising, LLC; and Huong)
T. Le a.k.a. Nancy Le,)
Respondents)

Order No. S-18-2393-18-CO01

CONSENT ORDER

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division and Respondents Levan Group, LLC d.b.a. BlackBall Dessert House and Black Ball Taiwanese Desserts, LLC; Nathan C. Van f.k.a. Nghia Van and d.b.a. Blackball Franchising, LLC; and Huong T. Le a.k.a. Nancy Le do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondents neither admit nor deny the Findings of Fact or Conclusions of Law as stated below.

FINDINGS OF FACT

Respondents

1. Levan Group, LLC (“Levan”) is a California limited liability company with its principal place of business in Huntington Beach, California. Levan offers BlackBall dessert restaurant franchises. Levan also does business as BlackBall Taiwanese Dessert House and BlackBall Taiwanese Dessert, LLC, a California limited liability company.

2. Nathan C. Van f.k.a. Nghia Van (“Van”), a California resident, is the co-owner and principal of Levan, who also does business as Blackball Franchising, LLC.

3. Huong T. Le a.k.a. Nancy Le (“Le”), a California resident, is the co-owner and principal of Levan.

Nature of Offering

4. In 2015, Respondents Levan, Van and Le (“the Respondents”) offered a Washington resident (the “Resident”) a BlackBall franchise and an exclusive master franchise for the state of Washington. The master franchise would allow the Resident to sell BlackBall franchises to others in the

1 state. The Respondents told the Resident that they would provide him a license to use the BlackBall brand
2 and logos; and assist him with establishing and operating his store. The Respondents provided the Resident
3 with a document entitled "Blackball Franchise Fee Details" that stated that the expected gross margin for the
4 business is "Approximately 60-70%." The Respondents gave the Resident a "License Agreement for
5 BlackBall Brand" (the "Agreement") to sign. In the Agreement, Respondents gave the Resident the right to
6 use the BlackBall trademarks and branding for a period of five years. The Resident paid the Respondents an
7 initial fee of \$75,000 plus a \$15,000 "Technology Transfer Fee." The Resident also paid Respondents a
8 3.5% monthly royalty on the revenues of his store. In exchange, the Respondents provided the Resident with
9 the initial inventory, training and technical assistance in opening and operating the store.

10 **Violations**

11 5. In 2015, as part of the offer of the franchise, the Respondents gave the Resident a spreadsheet
12 with financial projections for a Blackball restaurant that showed among other things, hypothetical revenues
13 for up to 5,000 desserts sold weekly and monthly store profits of \$69,354. Respondents did not provide the
14 Resident with all of the basis and assumptions for the projections.

15 **Registration**

16 6. The Respondents are not currently registered and have not been registered to offer franchises
17 in the State of Washington.

18 Based upon the above Findings of Fact, the following Conclusions of Law are made:

19 **CONCLUSIONS OF LAW**

20 1. The offer or sale of franchises as described above constitutes the offer or sale of a franchise
21 as defined in RCW 19.100.010(6), RCW 19.100.010(12), and RCW 19.100.010(17).

22 2. The Respondents violated RCW 19.100.170, the violations section of the Franchise
23 Investment Protection Act, because they failed to provide a prospective purchaser all of the basis and
24 assumptions underlying financial projections made and either misrepresented or omitted to disclose material
25 facts.

26 3. The Respondents offered and sold said franchise in violation of RCW 19.100.020 because no
27 registration for such offer and sale by was on file with the Securities Administrator.

28 **CONSENT ORDER**

29 Based upon the foregoing and finding it in the public interest:

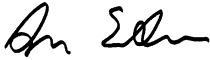
SIGNED and ENTERED this 10th day of April, 2018



William M. Beatty
Securities Administrator

Approved by:

Presented by:



Suzanne Sarason
Chief of Enforcement



Martin Cordell
Financial Legal Examiner

Reviewed by:



Jack McClellan
Financial Legal Examiner Supervisor

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