

FILED
SECURITIES DIVISION
MAY 24 2023

STATE OF INDIANA
OFFICE OF THE SECRETARY OF STATE
SECURITIES DIVISION

INDIANA
SECRETARY OF STATE

IN THE MATTER OF:

MAC AND CHEESE FRANCHISE
OPERATIONS, LLC

RESPONDENT.

)
)
)
)
)
)

Cause No. 23-0008 CD

CEASE AND DESIST ORDER

Petitioner, the Office of the Indiana Secretary of State, Securities Division ("Division"), has filed a Petition for Cease and Desist Order ("Petition") against Mac and Cheese Franchise Operations, LLC (d/b/a I Heart Mac & Cheese, "MACFO") for alleged violations of Indiana Franchise Law, Ind. Code § 23-2-2.5 *et seq.*

Pursuant to I.C. § 23-2-2.5-34 the Securities Commissioner ("Commissioner") may issue a Cease and Desist Order when: if it appears to the Commissioner that a person has engaged in or is about to engage in an act, a practice, or a course of business constituting a violation of this chapter or a rule or an order under this chapter.

Based on the information presented by the Petition, it appears to the Commissioner that through the actions and conduct in connection with MACFO's Financial Disclosure Documents ("Disclosures") filed with the Division, MACFO has acted in violation of I.C. § 23-2-2.5-13; I.C. § 23-2-2.5-27; and I.C. § 23-2-2.5-13.1 by filing materially deficient Disclosures with the Division in 2018, 2019, 2020, 2021, and 2022.

THE COMMISSIONER THEREFORE ORDERS that MACFO's registration is revoked, MACFO is prohibited from selling any franchises in Indiana, MACFO is prohibited from selling any franchises to Indiana investors, and that MACFO shall immediately stop engaging in any other act that violates Indiana Franchise Law. The Commissioner hereby determines that this

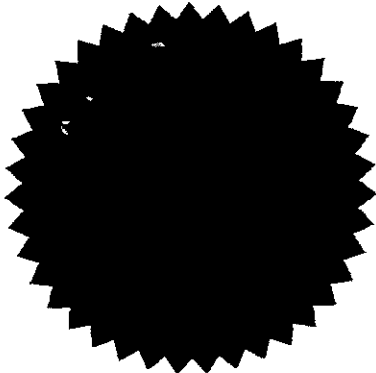
Cease and Desist Order is in the public interest and is necessary for the protection of Indiana investors.

This is considered an agency action. Pursuant to I.C. § 23-2-2.5-34(b)(3) upon request by a party, this order will be scheduled for a hearing by the Commissioner. Review of this agency action may be initiated by completing and signing the attached "Petition for Hearing" form and either: 1) mail your form; or 2) hand deliver a completed form to the Indiana Secretary of State, Securities Division located at 302 W. Washington St., Rm E-111 Indianapolis, IN 46204.

This Order is effective upon date of issuance. Pursuant to I.C. § 23-2-2.5-34(b)(3), if a person subject to this Order requests a hearing in the manner set forth above, the matter will be scheduled for a hearing within forty-five (45) days after receipt of such a request.

If a person subject to this order does not request a hearing and no hearing is otherwise ordered by the Commissioner, the order will remain in effect until it is modified, vacated, or adopted as a final order by the Commissioner.

ORDERED at Indianapolis, Indiana this 24th day of May 2023.



DIEGO MORALES

SECRETARY OF STATE

Marie Castetter
MARIE CASTETTER

SECURITIES COMMISSIONER

MAY 24 2023

STATE OF INDIANA
OFFICE OF THE SECRETARY OF STATE
SECURITIES DIVISION

INDIANA
SECRETARY OF STATE

IN THE MATTER OF:)
)
MAC AND CHEESE FRANCHISE)
OPERATIONS, LLC)
)
RESPONDENT.)

Cause No. 23-0008 CD

PETITION FOR CEASE AND DESIST ORDER

I. STATEMENT

Petitioner, the Office of the Indiana Secretary of State, Securities Division (“Division”), files this Petition for Cease and Desist Order (“Petition”) in the matter of Mac and Cheese Franchise Operations, LLC (d/b/a I Heart Mac & Cheese, “MACFO”) for alleged violations of Indiana Franchise Law, Ind. Code § 23-2-2.5 *et seq.*

This is an enforcement action arising from violations of Indiana Franchise Law. As detailed herein, MACFO engaged in violations of Indiana Franchise law, and the Division accordingly requests that the Securities Commissioner (“Commissioner”) issue an order: 1) requiring MACFO to cease and desist from its violations of Indiana Franchise Law and 2) revoking MACFO’s franchisor registration.

II. JURISDICTION AND AUTHORITY

1. The Division is part of the Office of the Indiana Secretary of State with jurisdiction over matters relating to franchises, as provided by the Ind. Code. The Ind. Code authorizes the Division to regulate, among other things: 1) the offer and sale and franchises; 2) those franchisors offering and/or selling franchises; and 3) fraud in connection with the offer and/or sale of franchises.

2. The Division brings this action pursuant to the authority conferred upon it by I.C. § 23-2-2.5-34, wherein if it appears to the Commissioner that a person has engaged in or is about to engage in an act, a practice, or a course of business constituting a violation of this chapter or a rule or an order under this chapter then the Commissioner may issue orders without prior hearing as she determines to be in the public interest.
3. The acts and practices constituting violations of Indiana Franchise Law stem from materially deficient Financial Disclosure Document filings MACFO made with the Division over several years, which detrimentally impacted Indiana investors.
4. The Division reserves all rights to amend this Petition and/or file an Administrative Complaint to reflect information developed in an ongoing investigation.

III. RESPONDENT

5. Mac and Cheese Franchise Operations, LLC is a Delaware Limited Liability Company with a principal office address of 621 N.W. 53 Street, #360 in Boca Raton, Florida 33487. MACFO is a casual dining restaurant franchisor that franchises "I Heart Mac & Cheese" restaurants, which primarily sell macaroni-and-cheese and grilled cheese products. In its 2022 Financial Disclosure Document, MACFO disclosed sixteen (16) Indiana locations on its "List of Franchisees."

IV. FACTS

Brief Overview of MACFO

6. MACFO has sold a significant number of I Heart Mac & Cheese franchises nationwide and attributes its rapid expansion to purportedly low: start-up costs, ongoing labor costs, and required business experience.

7. MACFO has received substantial publicity for its fast growth although many of its franchises have already closed and MACFO has been subject to several private lawsuits.

Indiana's Financial Disclosure Document Requirement

8. Franchisors are required to file a Financial Disclosure Document ("Disclosure") with the Division no less than once per year, pursuant to I.C. § 23-2-2.5-10.5, I.C. § 23-2-2.5-13, and I.C. § 23-2-2.5-13.1.
9. Pursuant to I.C. § 23-2-2.5-13, the Commissioner has adopted "The Uniform Franchise Offering Circular Guidelines General Instructions," ("Instructions"), as prepared by the North American Securities Administrators Association, and made the Instructions available to franchisors. The Instructions explicitly outline the requirements for a Disclosure filing with the Division and are designed to mirror 16 CFR 436.
10. The Disclosure is intended to provide prospective franchisees with a comprehensive overview of information about the business. In relevant part, the franchisor must explain certain aspects or "Items" of the business as well as provide certain relevant information about its related officers, affiliates, and business entities.
11. In relevant part, Item 2 (Business Experience) requires the disclosure of directors, trustees, general partners, principal officers, and anyone with management responsibility relating to the offered franchises.
12. Furthermore, Item 2 requires the disclosure of the principal occupations and employers of the aforementioned individuals over the past five (5) years.
13. In relevant part, Item 3 (Litigation) requires the disclosure of certain litigation involving the franchisor, its predecessor, an affiliate offering franchises under the franchisor's principal trademark, and the aforementioned individuals. This includes:

- A. Pending administrative/criminal/material civil actions related to franchises, antitrust or securities law, fraud, unfair/deceptive practices, or comparable allegations; non-ordinary and non-routine litigation involving the business, which is significant relative to the number of franchisees, size, or nature/financial condition of the franchise system or its business operations, AND
 - B. Any felony convictions or felony nolo contendere pleas within the past ten (10) years; liability in a civil action by final judgment or having been the subject of a material action involving franchises, antitrust or securities law, fraud, unfair/deceptive practices, or comparable allegations.
14. Franchisors are required to provide a copy of the Disclosure to prospective franchisees at least ten (10) days before the earlier of: the execution of a franchise agreement or receipt of consideration by the franchisor, pursuant to I.C. § 23-2-2.5-9.

MACFO's Disclosure Filings with the Division

- 15. MACFO has filed for registration with the Division since 2018.
- 16. MACFO filed Disclosures with the Division in 2018, 2019, 2020, 2021, and 2022.
- 17. The 2018, 2019, 2020, and 2021 disclosures were materially deficient with respect to Item 2 and Item 3.
- 18. The 2022 disclosure was materially deficient with respect to Item 2.
- 19. Indiana investors invested in MACFO during the time that its Disclosures were materially deficient and consequently suffered financial harm.
- 20. MACFO's failure to file materially sufficient Disclosures rendered Indiana investors incapable of making an informed decision about investing in MACFO.

21. The extent of the material deficiencies by year is significant, necessitating further breakdown.

2018 Disclosure Deficiencies

22. On June 14, 2018, MACFO filed its 2018 Disclosure with the Division, see: **Exhibit 1**.

23. MACFO failed to disclose its Chief Executive Officer Stephen Giordanela's ("Giordanela") employment as Manager with Cabo Flats Doral, LLC, see: **Exhibit 2**, and Cabo Flats, Jupiter, LLC, see: **Exhibit 3**. Cabo Flats was a failed chain of South Florida restaurants.

24. MACFO failed to disclose Giordanela's employment as CEO of Sag Inn New Hyde Park, LLC, a large event venue in New York City, see **Exhibit 4**.

25. MACFO failed to disclose Giordanela's employment with various MACFO-related entities and restaurants, including: Mac and Cheese Athens GA, LLC (see: **Exhibit 5**); Mac and Cheese Bayside NY, LLC (see: **Exhibit 6**); Mac and Cheese Boca FAU, LLC (see: **Exhibit 7**); Mac and Cheese Coral Springs, LLC (see: **Exhibit 8**); Mac and Cheese FLL, LLC (see: **Exhibit 9**); Mac and Cheese Franchise Management, LLC (see: **Exhibit 10**); Mac and Cheese Jupiter, LLC (see: **Exhibit 11**); Mac and Cheese Parkland, LLC (see: **Exhibit 12**); Mac and Cheese Patchogue NY, LLC (see: **Exhibit 13**); Mac and Cheese Pines, LLC (see: **Exhibit 14**); Mac and Cheese Restaurant Management, LLC (see: **Exhibit 15**); Mac and Cheese Syosset NY, LLC (see: **Exhibit 16**); and Mac and Cheese Tallahassee, LLC (see: **Exhibit 17**).

26. MACFO failed to disclose its Chef Michael Blum's ("Blum") "Chef Michael Blum Catering & Consulting, Inc" business. Blum advised Indiana investors that catering was his principal employment prior to MACFO, see: **Exhibit 18**.

27. MACFO failed to disclose its Director of Finance Delia Valles' ("Valles") employment with Cabo Flats Doral, LLC, see **Exhibit 2**, and Cabo Flats, Jupiter, LLC, see **Exhibit 3**. Cabo Flats was a failed chain of South Florida restaurants.
28. MACFO failed to disclose Valles' employment with various MACFO-related entities and restaurants, including: Mac and Cheese Athens GA, LLC (see: **Exhibit 5**); Mac and Cheese Bayside NY, LLC (see: **Exhibit 6**); Mac and Cheese Boca FAU, LLC (see: **Exhibit 7**); Mac and Cheese Coral Springs, LLC (see: **Exhibit 8**); Mac and Cheese FLL, LLC (see: **Exhibit 9**); Mac and Cheese Franchise Management, LLC (see: **Exhibit 10**); Mac and Cheese Jupiter, LLC (see: **Exhibit 11**); Mac and Cheese Parkland, LLC (see: **Exhibit 12**); Mac and Cheese Patchogue NY, LLC (see: **Exhibit 13**); Mac and Cheese Pines, LLC (see: **Exhibit 14**); Mac and Cheese Restaurant Management, LLC (see: **Exhibit 15**); Mac and Cheese Syosset NY, LLC (see: **Exhibit 16**); and Mac and Cheese Tallahassee, LLC (see: **Exhibit 17**).
29. MACFO failed to disclose Valles' prior employment as Controller for Insider Media Management, see: **Exhibit 19**.
30. MACFO failed to disclose that Giordanella was the subject of a material action involving fraud in *United States v. Amaro Goncalves, et al.*, filed out of the United States District Court for the District of Columbia under cause number 09-CR-335-RJL, see: **Exhibit 20**.

2019 Disclosure Deficiencies

31. On April 26, 2019, MACFO filed its 2019 Disclosure with the Division., see: **Exhibit 21**.
32. MACFO failed to disclose Giordanella's employment as Manager with Cabo Flats Doral, LLC and Cabo Flats Jupiter, LLC.

33. MACFO failed to disclose Giordanella's employment as CEO of Sag Inn New Hyde Park, LLC.
34. MACFO failed to disclose Giordanella's employment with various MACFO-related entities and restaurants, including: Mac and Cheese Athens GA, LLC; Mac and Cheese Bayside NY, LLC; Mac and Cheese Boca FAU, LLC; Mac and Cheese Coral Springs, LLC; Mac and Cheese FLL, LLC; Mac and Cheese Franchise Management, LLC; Mac and Cheese Jupiter, LLC; Mac and Cheese Restaurant Holdings, LP (see: **Exhibit 22**) Mac and Cheese Restaurant Management, LLC; Mac and Cheese Parkland, LLC; Mac and Cheese Patchogue NY, LLC; Mac and Cheese Pines, LLC; Mac and Cheese Syosset, NY LLC; Mac and Cheese Syracuse, LLC (see: **Exhibit 23**); Mac and Cheese Tallahassee, LLC; and Mac and Cheese Web Sales, LLC (see: **Exhibit 24**).
35. MACFO failed to disclose Blum's "Chef Michael Blum Catering & Consulting, Inc." business.
36. MACFO failed to disclose Valles' employment with Cabo Flats Doral, LLC and Cabo Flats, Jupiter, LLC.
37. MACFO failed to disclose Valles' employment with various MACFO-related entities and restaurants, including: Mac and Cheese Athens GA, LLC; Mac and Cheese Bayside NY, LLC; Mac and Cheese Boca FAU, LLC; Mac and Cheese Coral Springs, LLC; Mac and Cheese FLL, LLC; Mac and Cheese Franchise Management, LLC; Mac and Cheese Jupiter, LLC; Mac and Cheese Restaurant Holdings, LP (see: **Exhibit 22**) Mac and Cheese Restaurant Management, LLC; Mac and Cheese Parkland, LLC; Mac and Cheese Patchogue NY, LLC; Mac and Cheese Pines, LLC; Mac and Cheese Syosset, NY LLC;

Mac and Cheese Syracuse, LLC (see: **Exhibit 23**); Mac and Cheese Tallahassee, LLC; and Mac and Cheese Web Sales, LLC (see: **Exhibit 24**).

38. MACFO failed to disclose Valles' prior employment as Controller for Insider Media Management.
39. MACFO failed to disclose that Giordanella was a respondent in *Tavern Gardens, LLC v. Cabo Flats Jupiter, LLC and Stephen Giordanella*, a case filed out of Palm Beach County, Florida under cause number 502019CA000206XXXXMB, see: **Exhibit 25**. Plaintiff landlord alleged overdue past rent/sales-and-use tax for the Cabo Flats location in Jupiter, Florida amounting to sixty-four-thousand-two-hundred dollars (\$64,200.00). The case was filed on January 7, 2019, and remained pending after the date of filing for MACFO's 2019 Disclosure.
40. MACFO failed to disclose that Giordanella was a respondent in *KRG/Atlantic Delray Beach, LLC v. Cabo Delray, LLC, Stephen Giordanella, et al.*, a case filed out of Palm Beach County, Florida under cause number 502019CA002343XXXXMB, see: **Exhibit 26**. Plaintiff landlord alleged past due and unpaid rent for the Cabo Flats location in Delray, Florida amounting to three-hundred-twelve-thousand-five-hundred-fifteen dollars and twenty-one cents (\$312,515.21). The case was filed on February 20, 2019, prior to the date of filing for MACFO's 2018 Disclosure, and remained pending until July 29, 2022.
41. MACFO failed to disclose that CEO Giordanella was the subject of a material action involving fraud in *United States v. Amaro Goncalves, et al.*, filed out of the United States District Court for the District of Columbia under cause number 09-CR-335-RJL.

2020 Disclosure Deficiencies

42. On May 11, 2020, MACFO filed its 2020 Disclosure with the Division, see: **Exhibit 27**.
43. MACFO failed to disclose Giordanella's employment with Cabo Flats Doral, LLC and Cabo Flats Jupiter, LLC.
44. MACFO failed to disclose Giordanella's employment as CEO of Sag Inn New Hyde Park, LLC.
45. MACFO failed to disclose Giordanella's employment with various MACFO-related entities and restaurants, including: Mac and Cheese Athens GA, LLC; Mac and Cheese Bayside NY, LLC; Mac and Cheese Boca FAU, LLC; Mac and Cheese Coral Springs, LLC; Mac and Cheese FLL, LLC; Mac and Cheese Franchise Management, LLC; Mac and Cheese Jupiter, LLC; Mac and Cheese Restaurant Holdings, LP; Mac and Cheese Restaurant Management, LLC; Mac and Cheese Parkland, LLC; Mac and Cheese Patchogue NY, LLC; Mac and Cheese Pines, LLC; Mac and Cheese Syosset, NY LLC; Mac and Cheese Syracuse, LLC; Mac and Cheese Tallahassee, LLC; and Mac and Cheese Web Sales, LLC.
46. MACFO failed to disclose Valles' employment with Cabo Flats Doral, LLC.
47. MACFO failed to disclose Valles' employment with various MACFO-related entities and restaurants, including: Mac and Cheese Athens GA, LLC; Mac and Cheese Bayside NY, LLC; Mac and Cheese Boca FAU, LLC; Mac and Cheese Coral Springs, LLC; Mac and Cheese FLL, LLC; Mac and Cheese Franchise Management, LLC; Mac and Cheese Jupiter, LLC; Mac and Cheese Restaurant Holdings, LP; Mac and Cheese Restaurant Management, LLC; Mac and Cheese Parkland, LLC; Mac and Cheese Patchogue NY, LLC; Mac and Cheese Pines, LLC; Mac and Cheese Syosset, NY LLC; Mac and Cheese

Syracuse, LLC; Mac and Cheese Tallahassee, LLC; and Mac and Cheese Web Sales, LLC.

48. MACFO failed to disclose Valles' prior employment as Controller for Insider Media Management.
49. MACFO failed to disclose that Giordanella was a respondent in *KRG/Atlantic Delray Beach, LLC v. Cabo Delray, LLC, Stephen Giordanella, et al.*, a case filed out of Palm Beach County, Florida under cause number 502019CA002343XXXXMB.
50. MACFO failed to disclose that Mac and Cheese FLL LLC, a related business entity affiliated with Giordanella and Valles, was the respondent in *Southport Retail, LLC v. Mac and Cheese FLL LLC*, a case filed out of Broward County, Florida under cause number CONO-19-013545 for commercial tenant eviction, see: **Exhibit 28**. Plaintiff landlord alleged past due and unpaid rent for the I Heart Mac & Cheese location in Fort Lauderdale, Florida amounting to seventy-one-thousand-four-hundred-twelve dollars and forty-nine cents (\$71,412.49). The case was filed on October 30, 2019, and remained pending until it was voluntarily dismissed on April 7, 2021.

2021 Disclosure Deficiencies

51. On April 1, 2021, MACFO filed its 2021 Disclosure with the Division, see **Exhibit 29**.
52. MACFO failed to disclose Giordanella's employment as Manager with Cabo Flats Doral, LLC and Cabo Flats Jupiter, LLC.
53. MACFO failed to disclose Giordanella's employment as CEO of Sag Inn New Hyde Park, LLC.
54. MACFO failed to disclose Giordanella's employment with various MACFO-related entities and restaurants, including: Mac and Cheese Athens GA, LLC; Mac and Cheese

Bayside NY, LLC; Mac and Cheese Boca FAU, LLC; Mac and Cheese Coral Springs, LLC; Mac and Cheese FLL, LLC; Mac and Cheese Franchise Management, LLC; Mac and Cheese Jupiter, LLC; Mac and Cheese Restaurant Holdings, LP; Mac and Cheese Restaurant Management, LLC; Mac and Cheese Parkland, LLC; Mac and Cheese Patchogue NY, LLC; Mac and Cheese Pines, LLC; Mac and Cheese Syosset, NY LLC; Mac and Cheese Syracuse, LLC; Mac and Cheese Tallahassee, LLC; and Mac and Cheese Web Sales, LLC.

55. MACFO failed to disclose Valles' employment with Cabo Flats Doral, LLC and Cabo Flats Jupiter, LLC.

56. MACFO failed to disclose Valles' employment with various MACFO-related entities and restaurants, including: Mac and Cheese Athens GA, LLC; Mac and Cheese Bayside NY, LLC; Mac and Cheese Boca FAU, LLC; Mac and Cheese Coral Springs, LLC; Mac and Cheese FLL, LLC; Mac and Cheese Franchise Management, LLC; Mac and Cheese Jupiter, LLC; Mac and Cheese Restaurant Holdings, LP; Mac and Cheese Restaurant Management, LLC; Mac and Cheese Parkland, LLC; Mac and Cheese Patchogue NY, LLC; Mac and Cheese Pines, LLC; Mac and Cheese Syosset, NY LLC; Mac and Cheese Syracuse, LLC; Mac and Cheese Tallahassee, LLC; and Mac and Cheese Web Sales, LLC.

57. MACFO failed to disclose Valles' prior employment as Controller for Insider Media Management.

58. MACFO failed to disclose that CEO Giordanella was a respondent in *KRG/Atlantic Delray Beach, LLC v. Cabo Delray, LLC, Stephen Giordanella, et al.*, a case filed out of Palm Beach County, Florida under cause number 502019CA002343XXXXMB.

2022 Disclosure Deficiencies

59. On April 30, 2022, MACFO filed its 2022 Disclosure with the Division, see: **Exhibit 30**.
60. The 2022 Disclosure was more extensive and disclosed both Giorandella' and Valles' employment with various MACFO-related entities and restaurants, unlike previous disclosures.
61. Nevertheless, MACFO materially misrepresented CEO Giordanella's employment with Cabo Flats Doral, LLC, Cabo Flats Jupiter, LLC, as well as various Cabo-related entities, stating that he did not perform "any significant duties."
62. On July 11, 2013 the trademark for "Cabo Flats" was assigned to Giorandella Holdings, LLC, see: **Exhibit 31**.
63. In an interview published on December 14, 2017, Giordanella stated that "I started with Cabo Flats as an investor at the Palm Beach Gardens location. I quickly realized I wanted to be more hands-on and I got more involved with the company. I took a liking to the business, so we expanded into Delray Beach. Then, additional locations opened up . . . [sic] in Jupiter, West Palm Beach, Delray Beach, Dolphin Mall, CityPlace Doral, and Pembroke Pines," see: **Exhibit 32**.
64. Furthermore, Giordanella was personally named in no less than two (2) lawsuits involving liability for two (2) separate Cabo Flats locations.
65. In 2022, two (2) of MACFO's three (3) franchises in Indiana, the locations in Indianapolis and Westfield, closed.
66. MACFO was required to timely file an amended 2022 Disclosure with the Division within thirty (30) days of each Indiana franchise closing although it failed to do such.

V. VIOLATIONS OF INDIANA FRANCHISE LAW

Counts 1- 35

Materially Deficient Disclosure Statements

I.C. § 23-2-2.5-13

67. This section incorporates by reference all preceding sections and paragraphs.
68. I.C. § 23-2-2.5-13 provides that a franchisor's Disclosure shall be in a form prescribed by the Commissioner or in a form permitted under 16 CFR 436.
69. The Commissioner has made "The Uniform Franchise Offering Circular Guidelines General Instructions" ("Instructions") available for franchisors, which explicitly outlines the requirements for a Disclosure filing with the Division. This form is designed to mirror the alternative 16 CFR 436 with respect to the requirements for Item 2 (Business Experience) and Item 3 (Litigation).
70. The Instructions define "Disclose" as "to state all material facts in an accurate and unambiguous manner."
71. By issuing Disclosures that were materially deficient with respect to Item 2 (Business Experience) and Item 3 (Litigation), MACFO violated I.C. § 23-2-2.5-13.

Counts 36 – 70

Franchise Fraud

I.C. § 23-2-2.5-27

72. This section incorporates by reference all preceding sections and paragraphs.
73. I.C. § 23-2-2.5-27 in relevant part provides that it is unlawful for any person in connection with any filing made with the Commissioner to directly or indirectly: 1) to employ any device, scheme or artifice to defraud; 2) to make any untrue statements of a

material fact or to omit to state a material fact necessary in order to make the statements made, in the light of circumstances under which they are made, not misleading; or 3) to engage in any act which operates or would operate as a fraud or deceit upon any person.

74. By issuing Disclosures that fraudulently or deceitfully omitted or misrepresented information to investors with respect to Item 2 (Business Experience) and Item 3 (Litigation), MACFO violated I.C. § 23-2-2.5-13.

75. By filing Disclosures with the Division that fraudulently or deceitfully omitted or misrepresented information with respect to Item 2 (Business Experience) and Item 3 (Litigation), MACFO violated I.C. § 23-2-2.5-13.

Count 71

Failure to Timely File Amended Disclosure due to Material Change

I.C. § 23-2-2.5-13.1

76. This section incorporates by reference all preceding sections and paragraphs.

77. I.C. § 23-2-2.5-13.1 in relevant part states that should ten percent (10%) of a franchisor's franchises in Indiana close within a three (3) month period then the franchisor shall promptly file an amended annual disclosure with the Division.

78. In 2022, two (2) of MACFO's three (3) active Indiana franchises at the time, i.e., Westfield and Indianapolis, closed.

79. MACFO failed to timely file an Amended Disclosure reflecting the closure of more than ten percent (10%) of its Indiana franchises in 2022.

VI. RELIEF REQUESTED

Wherefore, the Division respectfully requests that the Commissioner take the following actions:

- a) Find a factual basis for the entry of the Cease and Desist Order;

\

- b) Find that MACFO's conduct poses a threat of immediate and irreparable harm to Indiana residents;
- c) Revoke MACFO's registration;
- d) Order MACFO to immediately stop violating Indiana Franchise Law;
- e) Find that all the sanctions and remedies detailed herein are in the public interest and necessary for the protection of Indiana investors; and
- f) Grants such other and further relief, as the Commissioner deems appropriate.

Respectfully submitted,

INDIANA SECRETARY OF STATE
SECURITIES DIVISION

By: 

Scott A. Probert, Atty No. 36934-49
Enforcement Attorney
302 W. Washington St, Rm E-111
Indianapolis, IN 46204
317-232-8651
SProbert1@sos.in.gov

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Petition for Cease and Desist Order has been duly served on the following party this _____ day of _____ 2023, by U.S. Registered Mail, prepaid:

Mac and Cheese Franchise Operations, LLC
c/o Delia Valles, Registered Agent
621 N.W. 53 Street, #360
Boca Raton, Florida 33487

Scott A. Probert, Atty No. 36934-49
Enforcement Attorney
302 W. Washington St, Rm E-111
Indianapolis, IN 46204
317-232-8651
SProbert1@sos.in.gov



Secretary of State

State of Indiana

Securities Division

Diego Morales
Secretary of State
Securities Division

Marie Castetter
Securities
Commissioner

REQUEST FOR HEARING			
<p><i>Instructions: This form should only be completed if you are requesting a hearing regarding an agency order that was directed to you or someone you represent. You must mail or hand deliver this form to Indiana Secretary of State, Securities Division located at 302 W. Washington St., Rm. E-111, Indianapolis, IN 46204.</i></p> <p>Please Select what best describes you: <input type="radio"/> Individual/Business Entity <input checked="" type="radio"/> Attorney</p>			
Section 1: Contact Information for Respondent			
<p><i>If you are an attorney representing the Respondent person or entity, input respondent's information here and then your information in section 2.</i></p>			
First Name:		Last Name:	
Date of Birth:		Email:	
Address:			
Business Name:			
Business Address:			
Personal Phone #:	()	Business Phone #:	()
Select preference for written communications:	<input type="radio"/> Email <input type="radio"/> U.S. Postal Mail		
<p>If interpreter or reasonable accommodations are needed, please describe them below</p>			
SECTION 2 – ATTORNEY INFORMATION			
<p>Are you represented by an attorney? <input type="radio"/> YES <input type="radio"/> NO <i>If yes, then complete section 2.</i></p> <p><i>Note: You are not required to have an attorney.</i></p>			
Name of Attorney:			
IN Bar Number:		Attorney Firm:	
Firm Address:			
Attorney Phone #:		Attorney Email:	
SECTION 3 – DETAILS OF REQUEST			
Cause Number of Order:		Order Type:	
AFFIRMATION/CERTIFICATION			
<p><i>I certify, under penalty of perjury, that the information provided is true complete, and correct to the best of my knowledge and belief. The date and time on which you submit this petition will be saved and may be used to assess the timeliness of your request.</i></p>			
Signature:		Date:	
Printed Name:			

UNIFORM FRANCHISE CONSENT TO SERVICE OF PROCESS

YCA Franchising, Inc., a corporation organized under the laws of Texas (the "Franchisor"), irrevocably appoints the officers of the States designated below and their successors in those offices, its attorney in those States for service of notice, process or pleading in an action or proceeding against it arising out of or in connection with the sale of franchises, or a violation of the franchise laws of that State, and consents that an action or proceeding against it may be commenced in a court of competent jurisdiction and proper venue within that State by service of process upon this officer with the same effect as if the undersigned was organized or created under the laws of that State and had lawfully been served with process in that State. We have checked below each state in which this application is or will be shortly on file, and provided a duplicate original bearing an original signature to each state.

- | | |
|--|--|
| <input checked="" type="checkbox"/> California: Commissioner of Business Oversight | <input checked="" type="checkbox"/> North Dakota: Securities Commissioner |
| <input checked="" type="checkbox"/> Hawaii: Commissioner of Securities | <input checked="" type="checkbox"/> Rhode Island: Director, Department of Business Regulation |
| <input checked="" type="checkbox"/> Illinois: Attorney General | <input checked="" type="checkbox"/> South Dakota: Director of the Division of Securities |
| <input checked="" type="checkbox"/> Indiana: Secretary of State | <input checked="" type="checkbox"/> Virginia: Clerk, Virginia State Corporation Commission |
| <input checked="" type="checkbox"/> Maryland: Securities Commissioner | <input checked="" type="checkbox"/> Washington: Director of Financial Institutions |
| <input checked="" type="checkbox"/> Minnesota: Commissioner of Commerce | <input checked="" type="checkbox"/> Wisconsin: Administrator, Division of Securities, Department of Financial Institutions |
| <input checked="" type="checkbox"/> New York: Secretary of State | |

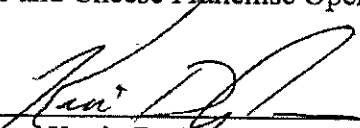
Please mail or send a copy of any notice, process or pleading served under this consent to:

Kevin D. Ayers, Vice President
Mac and Cheese Franchise Operations, LLC
621 NW 53rd St, #360
Boca Raton, FL 33487

Dated: June 21, 2022

Franchisor:

Mac and Cheese Franchise Operations, LLC

By: 
Name: Kevin D. Ayers
Title: Vice President

PALM BEACH COUNTY SHERIFF'S OFFICE ORIGINAL RETURN

Court: N/A
Case No.: 230008CD
County: N/A

S
e
r
v
i
c
e
A
d
d
r
e
s
s

MAC AND CHEESE FRANCHISE OPERATIONS LLC

621 NW 53RD STREET
#165
BOCA RATON, FL 33487

A
t
t
e
s
t
e
d
T
y
p
e
O
f
W
r
i
t

THE OFFICE OF THE INDIANA
SECRETARY OF STATE
SECURITIES DIVISION
302 W WASHINGTON STREET
ROOM E-111
INDIANAPOLIS, IN 46204

CEASE AND DESIST ORDER
& COPY OF PETITION FOR
CEASE & DESIST ORDER

P
l
a
i
n
t
i
f
i
c
a
t
i
o
n
D
e
f
e
n
d
a
n
t

IN THE MATTER OF MAC AND CHEESE
FRANCHISE OPERATIONS LLC

MAC AND CHEESE FRANCHISE
OPERATIONS LLC

Received this Writ on June 26, 2023 at 4:00 PM and served the same on the within named defendant at 10:50 AM on June 29, 2023, in Palm Beach County, Florida, a true copy of this Writ, endorsed thereon by me, NICHOLAS LENTINI by Corporate Service, by delivering to and leaving with ALEX KENNEDY as DESIGNATED EMPLOYEE of said corporation.

NOTES: OFFICE MOVED TO SUITE 165. KEVIN AYERS WAS NOT AT OFFICE. ALEX KENNEDY ACCEPTED SERVICE

By: 
NICHOLAS LENTINI 7321

29, 2023
Service, by

Service

29, 2023
Service, by

Service

West Palm Beach



RECEIVED
IND. SECRETARY OF STATE
JUL 11 2023

quadrant
PRIORITY MAIL
IMI
\$010.65⁰
07/06/2023 ZIP 33406
043M31241419
US POSTAGE

The Office of the Indiana
Secretary of State
Securities Div
302 W Washington St
Rm E-1111
Indianapolis IN 46204