

1 in California. To register a franchise, a franchisor must file an application that includes a Franchise
2 Disclosure Document (FDD) with the Department for review, in accordance with sections 31111 and
3 31114. The FIL requires franchisors to disclose certain material information that is intended to
4 provide prospective franchisees with facts upon which to make an informed decision to purchase a
5 franchise, as stated in section 31101.

6 B. At all relevant times, Gasket Guy is a Delaware Limited Liability Company with a
7 principal place of business 3001 McCall Dr., Atlanta, GA 30340. Gasket Guy engages in the offer
8 and sale of franchises specializing in the sale and installation of gaskets for refrigeration doors units,
9 freezer doors, oven doors, hardware and cutting boards.

10 C. Pursuant to section 31110, it is unlawful for any person to offer or sell a franchise in
11 this state unless the offer has been registered with the Commissioner or is exempt from registration
12 by the FIL.

13 D. BWGaskets, Inc. (BWGaskets) was the original owner and licensor of the “Gasket
14 Guy” system between the approximate years of 2004 to 2013.

15 E. Around 2013, BWGaskets sold substantially all its assets to Gasket Guy, LLC (GG
16 LLC).

17 F. In May 2020, Gasket Guy Franchising, LLC (Predecessor) was formed and was the
18 franchisor of the “Gasket Guy” franchise system until February 2022. In February 2022, Predecessor
19 sold its assets to Gasket Guy’s parent company.

20 G. Gasket Guy was formed on March 13, 2022, and acquired franchise-related assets on
21 May 23, 2022.

22 H. On December 21, 2023, Gasket Guy filed an initial application for registration of the
23 offer and sale of Gasket Guy franchises in California.

24 I. The Department discovered that Gasket Guy sold five license agreements from 2005-
25 2017 in California. These signed license agreements were found to be franchises sold without an
26 effective registration or exemption in California pursuant to the FIL.

27 J. The Commissioner finds that Gasket Guy offered franchises in California without
28 registration or exemption in violation of Corporations Code section 31110.

1 K. NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions
2 set forth herein, the Parties agree as follows:

3 **II.**

4 **Terms and Conditions**

5 1. Purpose. This Consent Order resolves the issues before the Commissioner, described
6 in recitals A through G above, in a manner that avoids the expense of a hearing and other possible
7 court proceedings, protects consumers, is in the public interest, and is consistent with the purposes
8 and provisions of the FIL.

9 2. Desist and Refrain Order. Pursuant to Corporations Code sections 31402 and 31406,
10 Gasket Guy, is hereby ordered to desist and refrain from the violations set forth herein, in violation
11 of Corporations Code section 31110, and from any violations of the FIL. The issuance of this
12 Order is necessary, in the public interest, for the protection of investors, and is consistent with the
13 purposes, policies, and provisions of the Franchise Investment Law.

14 3. Penalties. Gasket Guy shall pay an administrative penalty of twelve thousand five
15 hundred dollars (\$12,500) (Penalties) no later than thirty (30) calendar days after the Effective Date
16 of this Consent Order. The Penalties must be made payable in the form of a cashier's check or
17 Automated Clearing House deposit to the Department of Financial Protection and Innovation and
18 transmitted to the attention of Accounting – Legal, at the Department of Financial Protection and
19 Innovation, 2101 Arena Boulevard, Sacramento, California 95834. Notice of payment must be
20 concurrently sent via email to Ektaa Nijjar at ektaa.nijjar@dfpi.ca.gov. Failure to pay Penalties in
21 accordance with the above referenced Penalties payment installments shall be deemed to be a
22 material breach of this Consent Order.

23 4. Waiver of Hearing Rights. Gasket Guy acknowledges that the Commissioner is
24 ready, willing, and able to proceed with the filing of an administrative enforcement action on the
25 charges contained in this Consent Order. Gasket Guy hereby waives the right to any hearings, and to
26 any reconsideration, appeal, or other right to review which may be afforded pursuant to the FIL, the
27 California Administrative Procedure Act (APA), the California Code of Civil Procedure (CCP), or
28 any other provision of law. Gasket Guy further expressly waives any requirement for the filing of

1 any action pursuant to Government Code section 11415.60, subdivision (b). By waiving such rights,
2 Gasket Guy effectively consents to this Consent Order and all of its terms becoming final.

3 5. Failure to Comply with Desist and Refrain Order or Cure Breach. Gasket Guy agrees
4 that if they fail to comply with the Desist and Refrain Order in this Consent Order, or fails to timely
5 cure any breach to the satisfaction of the Commissioner, the Commissioner may, in addition to all
6 other available remedies it may invoke under the FIL, summarily suspend, revoke, or deny its FIL
7 registration (if applicable). Gasket Guy stipulates to the finality of any such FIL registration
8 suspensions, revocations, or denials that the Commissioner may order. Gasket Guy waives any
9 notice and hearing rights to contest such summary suspensions, revocations, or denials which may
10 be afforded under the FIL, the APA, the CCP, or any other provision of law in connection therewith.

11 6. Information Willfully Withheld or Misrepresented. This Consent Order may be
12 revoked, and the Commissioner may pursue any and all remedies available under law against
13 Gasket Guy if the Commissioner discovers that Gasket Guy knowingly or willfully withheld or
14 misrepresented information used for and relied upon in this Consent Order.

15 7. Future Actions by Commissioner. If Gasket Guy fails to comply with any terms of
16 the Consent Order, the Commissioner may institute proceedings for any and all violations otherwise
17 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions
18 against Gasket Guy, or any of their partners, owners, officers, shareholders, directors, employees or
19 successors for any and all unknown violations of the FIL or any other law under the Commissioner's
20 jurisdiction.

21 8. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner's
22 ability to assist any other government agency (whether city, county, state, or federal) with any
23 administrative, civil or criminal action brought by that agency against Gasket Guy or any other
24 entity or person based upon any of the activities alleged in this matter or otherwise.

25 9. Headings. The headings to the paragraphs of this Consent Order are inserted for
26 convenience only and will not be deemed a part hereof or affect the construction or interpretation of
27 the provisions hereof.
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1 10. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
2 interest.

3 11. Reliance. Each of the Parties represents, warrants, and agrees that in executing this
4 Consent Order, it has relied solely on the statements set forth herein and the advice of its own
5 counsel. Each of the Parties further represents, warrants, and agrees that in executing this Consent
6 Order, it has placed no reliance on any statement, representation, or promise of any other party, or
7 any other person or entity not expressly set forth herein, or upon the failure of any party or any
8 other person or entity to make any statement, representation, or disclosure of anything whatsoever.
9 The Parties have included this clause: (1) to preclude any claim that any party was in any way
10 fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of parol
11 evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

12 12. Waiver, Amendments, and Modifications. No waiver, amendment, or modification
13 of this Consent Order will be valid or binding unless it is in writing and signed by each of the
14 Parties. The waiver of any provision of this Consent Order will not be deemed a waiver of any
15 other provision. No waiver by either party of any breach of, or of compliance with, any condition
16 or provision of this Consent Order by the other party will be considered a waiver of any other
17 condition or provision or of the same condition or provision at another time.

18 13. Full Integration. This Consent Order is the final written expression and the complete
19 and exclusive statement of all the agreements, conditions, promises, representations, and covenant
20 between the Parties with respect to the subject matter hereof, and supersedes all prior or
21 contemporaneous agreements, negotiations, representations, understandings, and discussions
22 between and among the Parties, their respective representatives, and any other person or entity with
23 respect to the subject matter covered hereby.

24 14. Governing Law. This Consent Order will be governed by and construed in
25 accordance with California law. Each of the Parties hereto consents to the jurisdiction of such court,
26 and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient
27 forum to the maintenance of such action or proceeding in such court.
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1 21. Effective Date. This Consent Order shall become final and effective when signed by
2 all Parties and delivered by the Commissioner’s agent via e-mail to Gasket Guy’s agent, Eli M.
3 Besignor at eli.besignor@lathropgpm.com.

4 22. Authority to Sign. Each signatory hereto covenants that he/she possesses all
5 necessary capacity and authority to sign and enter into this Consent Order and undertake the
6 obligations set forth herein.

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Dated: 1/28/2025

KHALIL MOHSENI
Acting Commissioner of Financial Protection and
Innovation

By: _____
COLLEEN MONAHAN
Deputy Commissioner

Dated: 1/21/2025

GASKET GUY FRANCHISE COMPANY, LLC

By: _____
SEAN DILLON
Chief Operating Officer