

1 KHALIL MOHSENI
Commissioner of Financial Protection and Innovation
2 COLLEEN MONAHAN
Deputy Commissioner
3 THERESA LEETS
Assistant Chief Counsel
4 MARISA I. URTEAGA-WATKINS (State Bar No. 236398)
Senior Counsel
5 Department of Financial Protection and Innovation
6 651 Bannan Street, Suite 300
Sacramento, California 95811
7 Email: marisa.urteaga-watkins@dfpi.ca.gov

8 Attorneys for Complainant

9 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
10 OF THE STATE OF CALIFORNIA

11 In the Matter of:)
12 THE COMMISSIONER OF FINANCIAL)
13 PROTECTION AND INNOVATION,) CONSENT ORDER
14 Complainant,)
15 v.)
16 ARVO SOLAR FRANCHISING, LLC.,)
17 Respondent.)
18)
19)

20 This Consent Order is entered into between the Commissioner of Financial Protection and
21 Innovation (Commissioner) and Arvo Solar Franchising, LLC. (Arvo) (collectively the Parties) and
22 is made with respect to the following facts:

23 **I.**

24 **Recitals**

25 A. The Commissioner is the head of the Department of Financial Protection and
26 Innovation (Department) and is responsible for administering and enforcing the Franchise
27 Investment Law (FIL) (Corp. Code, § 31000 et seq.),¹ and registering the offer and sale of franchises

28 _____
¹ All further statutory references are to the Corporations Code unless otherwise indicated.

1 in California. To register a franchise, a franchisor must file an application which includes a Uniform
2 Franchise Disclosure Document (FDD) with the Department for review and approval, in accordance
3 with sections 31111 and 31114. The FIL requires franchisors to disclose certain material
4 information which is intended to provide prospective franchisees with facts upon which to make an
5 informed decision to purchase a franchise, as stated in section 31001.

6 B. At all relevant times, Arvo Solar Franchising, LLC, is a Wyoming limited liability
7 company doing business at 19985 E. Liberty Road, Clements, California 95227. Arvo offers and
8 sells solar energy franchises to investors.

9 C. Pursuant to Corporations Code section 31150, every franchisor offering franchises for
10 sale in this state shall at all times keep and maintain a complete set of books, records, and accounts
11 of such sales.

12 1. For each franchise offered and sold in California, the following books, records
13 and accounts must be kept by the franchisor: (1) FDD; (2) FDD receipt with a signature and date of
14 the prospective and actual franchisee; (3) Franchise agreement executed (signed and dated) by both
15 the franchisor and franchisee; and (4) Proof of payment and receipt of the initial franchise fee.

16 2. On or about April 10, 2025, the Department issued to Arvo (referenced as
17 “YOU” or “YOUR” below) a compliance inquiry that included the following requests:

18 1. A copy of any and all signed agreements between YOU and each
19 owner/operator of YOUR operation/store in California (whether they be deemed
20 membership agreements, partnership agreements, joint venture agreements,
21 licenses, dealerships, brand management contracts, marketing agreements,
22 licensing agreements, lease agreements, cooperation agreements or any
23 document of a similar nature); 2. Any and all copies of records reflecting
24 payments of initial franchise fees made payable to YOU or any person or
25 persons affiliated with YOU by owner/operators of from any franchisee; 3. A
26 copy of any and all Franchise Agreements regarding YOU and any California
27 investor; 4. A copy of any FDD provided to any of YOUR prospective or actual
28 California franchisee(s); 5. A copy of any and all FDD receipts issued by YOU
and executed by prospective and/or actual franchisees; 6. A list of any and all
offers of YOUR franchise to anyone in California, including but not limited to
name, address, email, phone number, date of offer, location of offer, and
outcome of offer; 7. A list of any and all sales of YOUR franchise to anyone in
California, including but not limited to name, address, email, phone number,
date of sale, location of sale, and outcome of sale; 8. A copy of any and all
documents pertaining to YOUR answer in this section; and 9. Please provide

1 copies of the FDD, Franchise Agreement, proof of payment of initial franchise
2 fee, and FDD receipt for Mr. Bryan Patton of Sacramento, California.

3 3. The Department received a timely response from Arvo to this compliance
4 inquiry. However, the Arvo response was incomplete. Specifically, the following required books,
5 records and accounts were not included in the response to the Department: (1) FDD receipt and
6 proof of payment of initial franchise fee for an Arvo solar cleaning franchise agreement executed on
7 February 23, 2023; (2) FDD receipt and proof of payment of initial franchise fee for a full service
8 Arvo solar energy provider franchise agreement executed on June 21, 2022; and (3) Franchise
9 agreement and proof of payment of initial franchise fee for a full service Arvo solar energy provider
10 franchise on or about December 10, 2023. Therefore, Arvo violated section 31150 of the FIL for
11 failing to maintain and submit books and records required as Arvo did not produce the required and
12 requested books, records and accounts to the Department.

13 D. Pursuant to section 31110, it is unlawful for any person to offer or sell a franchise in
14 this state unless the offer has been registered with the Commissioner or is exempted.

15 1. At no time was Arvo registered or exempt from FIL registration with the
16 Department.² From at least 2022 to 2024, Arvo entered into at least five (5) franchise agreements
17 for the operation of stores, using a system prescribed by Arvo. Arvo was not registered to offer and
18 sell franchises by the Commissioner pursuant to the FIL from 2022 to 2024. Therefore, Arvo
19 violated section 31110 of the FIL.

20 E. Pursuant to section 31119, it is unlawful to sell any franchise without first providing a
21 prospective franchisee with the FDD at least fourteen (14) days prior to the execution of a franchise
22 agreement or receipt of consideration.

23 1. From at least 2022 to 2024, Arvo sold at least five (5) Arvo franchises. As
24 stated in paragraph D above, Arvo failed to provide the Commissioner with at least three (3)
25 executed FDD receipts for three (3) franchise sales. Therefore, in at least three (3) sales
26 transactions, Arvo failed to provide a prospective franchisee with the FDD at least fourteen (14) days

27 _____
28 ² On or about March 30, 2022, Arvo submitted an application for FIL registration with the Department (App-23567).
However, App-23567 was abandoned on January 8, 2024, for failure of Arvo to respond to the Commissioner's
comment letter. At no time was Arvo registered with the Department to offer and sell franchises in California pursuant
to the FIL.

1 prior to the execution of a franchise agreement or receipt of consideration in violation of section
2 31119 of the FIL.

3 F. Pursuant to section 31200, it is unlawful for any person willfully to make any untrue
4 statement of a material fact in any application, notice or report filed with the Commissioner under
5 the FIL, or willfully omit to state in any such application, notice, or report any material fact which is
6 required to be stated therein or fail to notify the Commissioner of any material change as required by
7 section 31123.

8 G. Pursuant to section 31123, the franchisor must promptly notify the Commissioner
9 in writing of any material change in the information contained in the application as originally
10 submitted.

11 1. All terms offered by Arvo in offers and sales of Arvo franchises to franchisees
12 (prospective and actual) must be comprised of the same terms set forth in the filed FIL application
13 FDD and exhibits. Also, the franchise agreement (an exhibit in the FDD and FIL application) and
14 any other document used in conjunction with the franchise agreement, such as a franchise agreement
15 addendum, must also be filed with the Commissioner in an FIL application, either in the initial
16 application filing or as a post-effective amendment to that application pursuant to section 31123.

17 2. Arvo filed App-23567 with the Commissioner on March 30, 2022, for FIL
18 registration consideration. App-23567 was abandoned on January 8, 2024. In App-23567, Arvo
19 submitted an FDD which included the Arvo Franchise Agreement that was required to be used in all
20 Arvo franchise offer and sales transactions. However, there was no franchise agreement addendum
21 included in App-23567. In at least four (4) different Arvo franchise sales transactions, Arvo used
22 franchise agreement addendums that were not included in App-23567, in addition to the franchise
23 agreement found in App-23567. Also, these franchise agreement addendums contained terms that
24 were not in the App-23567 FDD or other exhibits.

25 3. There was no franchise agreement addendum included in App-23567 by post-
26 effective amendment or otherwise. Also, the new terms set forth in the Arvo franchise agreement
27 amendment were also not included in App-23567 by either post-effective amendment or otherwise,
28 in violation of section 31123. By failing to disclose in App-23567 the franchise agreement

addendum and the different terms set forth in the franchise agreement addendums, Arvo misrepresented the offering in App-23567 to the Commissioner. Therefore, Arvo has also violated section 31200. In addition, Arvo failed to abide by the Material Modification process set forth in section 31125³ to modify the terms of the FDD filed in App-23567.

H. The Commissioner hereby finds as follows:

1. Arvo, in one (1) instance, failed to maintain a complete set of books, records, and accounts, in violation of section 31150.
2. Arvo offered and sold at least five (5) Arvo franchises in California without being registered with the Commissioner or exempt, in violation of section 31110.
3. On at least three (3) occasions, Arvo engaged in the sale of an Arvo franchise without first providing a prospective franchisee with the FDD at least fourteen (14) days prior to the execution of a franchise agreement or receipt of consideration, in violation of section 31119.
4. On at least four (4) occasions, Arvo made untrue statements of material fact in an FIL application filed with the Commissioner and willfully omitted to state in their FIL application a material fact which was required to be stated therein or fail to notify the Commissioner of any material change in violation of sections 31123 and 31200.

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

II.

Terms and Conditions

1. Purpose. This Consent Order resolves the issues set forth herein above before the Commissioner in a manner that avoids the expense of a hearing and other possible court

³ Pursuant to section 31125, "... (a) An application for registration of a material modification of an existing franchise or of existing franchises shall be in a form and contain information as the commissioner may by rule prescribe, and shall be accompanied by a proposed disclosure form as specified in subdivision (b). The application may be included with an application pursuant to Section 31111 or 31121. (b) Except as provided in subdivisions (c) and (d), it is unlawful to solicit the agreement of a franchisee to a proposed material modification of an existing franchise without first delivering to the franchisee a written disclosure, in a form and containing information as the commissioner may by rule or order require, identifying the proposed modification, either five business days prior to the execution of any binding agreement by the franchisee to the modification or containing a statement that the franchisee may...."

1 proceedings, protects consumers, is in the public interest, and is consistent with the purposes and
2 provisions of the applicable law.

3 2. Desist and Refrain Order. Pursuant to Corporations Code section 31406, Arvo will
4 consent to an order to desist and refrain from violating Corporations Code sections 31150, 31110,
5 31119, 31200, 31123 and any other provision of the FIL. The issuance of this order is necessary, in
6 the public interest, for the protection of investors and is consistent with the purposes, policies, and
7 provisions of the FIL.

8 3. Penalties. In the event Arvo returns to California and commences the offer and/or
9 sale of franchises, pursuant to Corporations Code section 31406, Arvo shall pay to the Department
10 administrative penalties in the amount of six thousand five hundred dollars (\$6,500) for at least
11 thirteen (13) violations at five hundred dollars (\$500) per violation (Penalties). Arvo shall pay
12 Penalties no later than fifteen (15) days from the date of Arvo's first offer and /or sale in California.

13 4. Cancellation of Contract. Arvo agrees to cancel the franchise agreement of
14 franchisee BP of Sacramento, California (franchisee BP) within thirty (30) days after the effective
15 date in paragraph 23 of this Consent Order (Effective Date). Within sixty (60) days after the
16 Effective Date, Arvo shall submit to the Commissioner satisfactory documentation evidencing the
17 cancelation via email to Marisa I. Urteaga-Watkins, Esq., at marisa.urteaga-watkins@dfpi.ca.gov.

18 5. Remedial Education. In the event that Arvo returns to California and commences the
19 offer and/or sale of franchises, Arvo agrees that the following class of persons are required to and
20 will attend remedial education in each of their respective businesses: (1) All persons with direct
21 management responsibility relating to the sale of franchises; (2) All persons who assist in preparing
22 franchise materials (excluding outside lawyers and accountants); and (3) The person who certifies
23 the accuracy of any Arvo franchise disclosure document. Each of these people shall complete at
24 least six (6) hours of continuing education offered by a Commissioner approved franchise attorney
25 within one (1) year of commencing offers and/or sales of franchises in California. Arvo shall file
26 proof of compliance, a certificate of completion with a sworn affidavit that each required party
27 completed the remedial education from the approved training provider to the Commissioner upon
28

1 completion of the required remedial education. The affidavit shall be sent to the attention of: Ms.
2 Marisa I. Urteaga-Watkins, Senior Counsel, at marisa.urteaga-watkins@dfpi.ca.gov.

3 6. Waiver of Hearing Rights. Arvo acknowledges that the Commissioner is ready,
4 willing, and able to proceed with the filing of an administrative enforcement action on the charges
5 contained in this Consent Order. Arvo hereby waives the right to any hearings, and to any
6 reconsideration, appeal, or other right to review which may be afforded pursuant to the FIL, the
7 Administrative Procedure Act (APA), the Code of Civil Procedure (CCP), or any other provision of
8 law. Arvo further expressly waives any requirement for the filing of any accusation pursuant to
9 Government Code section 11415.60, subdivision (b). By waiving such rights, Arvo effectively
10 consents to this Consent Order and all of its terms becoming final.

11 7. Failure to Comply with Consent Order. Arvo agrees that if it fails to comply with
12 the Desist and Refrain Order in this Consent Order, the Commissioner may, in addition to all other
13 available remedies it may invoke under the FIL, summarily suspend, revoke, or deny its FIL
14 registration (if applicable). Arvo stipulates to the finality of any such FIL registration suspensions,
15 revocations, or denials that the Commissioner may order. Arvo waives any notice and hearing
16 rights to contest such summary suspensions, revocations, or denials which may be afforded under
17 the FIL, the APA, the CCP, or any other provision of law in connection therewith.

18 8. Information Willfully Withheld or Misrepresented. This Consent Order may be
19 revoked, and the Commissioner may pursue any and all remedies available under law against Arvo,
20 if the Commissioner discovers that Arvo knowingly or willfully withheld or misrepresented
21 information used for and relied upon in this Consent Order.

22 9. Future Actions by Commissioner. If Arvo fails to comply with any terms of the
23 Consent Order, the Commissioner may institute proceedings for any and all violations otherwise
24 resolved by this Consent Order. The Commissioner reserves the right to bring any future actions
25 against Arvo, or any of its partners, owners, officers, shareholders, directors, employees, or
26 successors for any and all unknown violations of the FIL or any other law under the Commissioner's
27 jurisdiction.
28

1 10. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner's
2 ability to assist any other government agency (whether city, county, state, or federal) with any
3 administrative, civil, or criminal action brought by that agency against Arvo, or any other person
4 based upon any of the activities alleged in this matter or otherwise.

5 11. Headings. The headings to the paragraphs of this Consent Order are inserted for
6 convenience only and will not be deemed a part hereof or affect the construction or interpretation of
7 the provisions hereof.

8 12. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
9 interest.

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

19 14. Waiver, Amendments, and Modifications. No waiver, amendment, or modification
20 of this Consent Order will be valid or binding unless it is in writing and signed by each of the
21 Parties. The waiver of any provision of this Consent Order will not be deemed a waiver of any
22 other provision. No waiver by either Party of any breach of, or of compliance with, any condition
23 or provision of this Consent Order by the other Party will be considered a waiver of any other
24 condition or provision or of the same condition or provision at another time.

25 15. Full Integration. This Consent Order is the final written expression and the complete
26 and exclusive statement of all the agreements, conditions, promises, representations, and covenant
27 between the Parties with respect to the subject matter hereof, and supersedes all prior or
28 contemporaneous agreements, negotiations, representations, understandings, and discussions

between and among the Parties, their respective representatives, and any other person or entity with respect to the subject matter covered hereby.

16. Governing Law. This Consent Order will be governed by and construed in accordance with California law. Each of the Parties hereto consents to the jurisdiction of such court, and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in such court.

17. Counterparts. This Consent Order may be executed in one or more separate counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall together constitute a single document.

18. Effect Upon Future Proceedings. If Arvo applies for any license, registration, permit, or qualification under the Commissioner’s current or future jurisdiction, or is the subject of any future action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be admitted for the purpose of such application(s) or enforcement proceeding(s).

19. Voluntary Agreement. Arvo enters into this Consent Order voluntarily and without coercion and acknowledges that no promises, threats, or assurances have been made by the Commissioner or any officer, or agent thereof, about this Consent Order. The Parties each represent and acknowledge that he, she, or it is executing this Consent Order completely voluntarily and without any duress or undue influence of any kind from any source.

20. Notice. Any notice required under this Consent Order shall be provided to each party at the following addresses:

To Arvo Solar Franchising: Phil Horton
19985 E. Liberty Road
Clements, California 95227
phil@goarvo.com

To the Commissioner: Marisa I. Urteaga-Watkins, Esq.,
Department of Financial Protection and Innovation
651 Bannon Street, Suite 300
Sacramento, California 95811
marisa.urteaga-watkins@dfpi.ca.gov

21. Signatures. A fax, scanned, or electronic signature shall be deemed the same as an original signature.

22. Public Record. Arvo hereby acknowledges that this Consent Order is and will be a matter of public record.

23. Effective Date. This Consent Order shall become final and effective when signed by all Parties and delivered by the Commissioner’s agent via e-mail to Arvo’s agent, Phil Horton at phil@goarvo.com.

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

Dated: 8/6/2025

KHALIL MOHSENI
Commissioner of Financial Protection
and Innovation

By: _____
COLLEEN MONAHAN
Deputy Commissioner

Dated: 7/30/2025

ARVO SOLAR FRANCHISING, LLC

By: _____
PHIL HORTON
President