

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 Bannon 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) CONSENT ORDER
13 PROTECTION AND INNOVATION,)
14 Complainant,)
15 v.)
16 JBM, LLC, also known as JOLLIBEE)
17 Respondent.)
18)
19)

20 This Consent Order is entered into between the Commissioner of Financial Protection and
21 Innovation (Commissioner) and JBM, LLC, also known as JOLLIBEE (JBM) (collectively the
22 Parties) and 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, JBM, a Delaware limited liability company, doing business at
7 3900 East Mexico Avenue, Suite 1300, Denver, Colorado 80210. At all relevant times, JBM offers
8 California investors fast food Filipino style restaurant franchises featuring fried chicken, other food
9 items, beverages, and related products and services.

10 C. Notice of Violation Withdraw.

11 1. The Department requires that JBM withdraw application number
12 APP00002571 –Notice of Violation received by the Department May 19, 2025. JBM hereby
13 withdraws application number APP00002571.

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

16 1. JBM filed a registration with the Department to offer and sell franchises in
17 California on April 30, 2024. The registration was approved, effective February 21, 2025, and
18 expired April 21, 2025. JBM filed another registration application with the Department on May 20,
19 2025. This application is still pending approval. At no other time was JBM registered to offer and
20 sell franchises in California or exempt from registration requirements set forth in the FIL.

21 2. In or about July 2024, JBM offered and sold at least six (6) JBM franchises
22 and multi-unit developments in California. At this time, JBM was not registered to offer and sell
23 franchises in California with the Department. Therefore, JBM violated section 31110 six (6) times.

24 E. Pursuant to section 31123, a franchisor shall promptly notify the Commissioner in
25 writing of any material change in the information contained in the application as originally filed with
26 the Commissioner.

27 1. On or about July 30, 2024, JBM executed at least six (6) amendments to
28 Multi-Unit Development Agreements (Amendments). The Amendments changed the development

1 fee that was originally agreed to in the original franchise agreements executed in July 2024. This is a
2 significant and material change to the original fee in the JBM franchise agreements previously
3 executed in July 2024. As such, JBM was required to file a post-effective amendment, pursuant to
4 section 31123 with the Department. There was/is no record of JBM filing a post-effective
5 amendment with the Department to disclose the new development fee. Therefore, JBM violated
6 section 31123 six (6) times.

7 F. Pursuant to section 31125, a franchisor must file an application for registration of a
8 material modification of an existing franchise with the Commissioner when a franchisor makes a
9 modification of a franchise agreement, in general.

10 1. As previously stated, on or about July 30, 2024, the Amendments changed the
11 development fee in the original franchise agreements executed in July 2024.

12 2. The Department finds that the Amendments are a material modification of an
13 existing franchise as set forth in section 31125. As such, JBM was required to file an application for
14 registration of a material modification of an existing franchise but did not. Therefore, JBM violated
15 section 31125 six (6) times.

16 G. The Commissioner hereby finds as follows:

17 1. JBM offered and sold six (6) franchises without being registered with the
18 Commissioner or exempt, in violation of section 31110;

19 2. JBM, in six (6) instances, did not file a post-effective amendment with the
20 Department in violation of 31123; and

21 3. JBM, in six (6) instances, did not file an application for material modification
22 with the Department, in violation of section 31125.

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

25 **II.**

26 **Terms and Conditions**

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

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, JBM Inc.,
4 also known as JOLLIBEE, is hereby ordered to desist and refrain from the violations of
5 Corporations Code sections 31110, 31123, 31125 and any other provision of the FIL. The issuance
6 of this order is necessary, in the public interest, for the protection of investors and is consistent with
7 the purposes, policies, and provisions of the FIL.

8 3. Penalties. Pursuant to Corporations Code section 31406, JBM Inc. also known as
9 JOLLIBEE, shall pay the Department administrative penalties in the amount of forty-five thousand
10 dollars (\$45,000) for at least eighteen (18) violations (Penalties). The Penalties are due no later than
11 fifteen (15) days after the effective date of this Consent Order as defined in paragraph 22 (Effective
12 Date). The Penalties must be made payable in the form of a cashier's check or Automated Clearing
13 House deposit to the Department and transmitted to the attention of Accounting-Legal at the
14 Department of Financial Protection and Innovation, 651 Bannan Street, Suite 300, Sacramento,
15 California 95811. Notice of the payment must be concurrently sent via email to marisa.urteaga-
16 watkins@dfpi.ca.gov. Failure to pay Penalties in a timely manner shall be deemed to be a material
17 breach of this Consent Order.

18 4. Remedial Education. JBM agrees that the following class of people are required to
19 and will attend three (3) hours of either in-person or virtual remedial education (Remedial
20 Education): (1) All persons with direct management responsibility relating to the sale of franchises;
21 (2) All persons who assist in preparing franchise materials (excluding outside lawyers and
22 accountants); and (3) The person who certifies the accuracy of any JBM franchise disclosure
23 document. Remedial Education shall be provided by an attorney with a California State Bar license
24 who possesses a California State Bar Certified Legal Specialty in Franchise and Distribution Law
25 (Remedial Education Provider). JBM shall select the Remedial Education Provider and present that
26 selection to the Department for approval. The Department must approve the Remedial Education
27 Provider prior to any presentation of Remedial Education. Remedial Education may only be
28 performed by a Department approved Remedial Education Provider. The Remedial Education

1 training topic shall exclusively be California Franchise Investment Law. JBM shall file proof of
2 Remedial Education compliance, a certificate of completion with a sworn affidavit that each required
3 party completed the Remedial Education from the approved training provider to the Commissioner
4 upon completion of the required Remedial Education. Remedial Education shall be completed no
5 later than six (6) months from the Effective Date of this Consent Order. The affidavit shall be sent to
6 the attention of: Ms. Marisa I. Urteaga-Watkins, Senior Counsel, at marisa.urteaga-
7 watkins@dfpi.ca.gov. Failure to complete Remedial Education in a timely manner shall be deemed
8 to be a material breach of this Consent Order.

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

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

24 7. Information Willfully Withheld or Misrepresented. This Consent Order may be
25 revoked, and the Commissioner may pursue any and all remedies available under law against JBM,
26 if the Commissioner discovers that JBM knowingly or willfully withheld or misrepresented
27 information used for and relied upon in this Consent Order.
28

1 8. Future Actions by Commissioner. If JBM fails to comply with any terms of the
2 Consent Order, the Commissioner may institute proceedings for any and all violations otherwise
3 resolved by this Consent Order. The Commissioner reserves the right to bring any future actions
4 against JBM, or any of its partners, owners, officers, shareholders, directors, employees, or
5 successors for any and all unknown violations of the FIL or any other law under the Commissioner’s
6 jurisdiction.

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

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

14 11. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
15 interest.

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

25 13. Waiver, Amendments, and Modifications. No waiver, amendment, or modification
26 of this Consent Order will be valid or binding unless it is in writing and signed by each of the
27 Parties. The waiver of any provision of this Consent Order will not be deemed a waiver of any
28 other provision. No waiver by either Party of any breach of, or of compliance with, any condition

1 or provision of this Consent Order by the other Party will be considered a waiver of any other
2 condition or provision or of the same condition or provision at another time.

3 14. Full Integration. This Consent Order is the final written expression and the complete
4 and exclusive statement of all the agreements, conditions, promises, representations, and covenant
5 between the Parties with respect to the subject matter hereof, and supersedes all prior or
6 contemporaneous agreements, negotiations, representations, understandings, and discussions
7 between and among the Parties, their respective representatives, and any other person or entity with
8 respect to the subject matter covered hereby.

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

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

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

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

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

27 JBM Inc.	Antonia Scholz, Esq.
	Cheng Cohen LLC
	363 W. Erie Street, Suite 500
	Chicago, IL 60654

antonia.scholz@chengcohen.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

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

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

22. 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 JBM’s agent, Antonia Scholz, Esq., at antonia.scholz@chengcohen.com.

23. 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 undertakes the obligations set forth herein.

Dated: 5/19/2026

KHALIL MOHSENI
Commissioner of Financial Protection
and Innovation

By: _____
COLLEEN MONAHAN
Deputy Commissioner

Dated: 5/15/2026

JBM, LLC. also known as JOLLIBEE

By: _____
MARIBETH DELA CRUZ
President