

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 DICKEY’S BARBECUE RESTAURANTS,)
17 INC., also known as DICKEY’S BARBECUE)
PIT, INC.,)
18 Respondent.)
19 _____)

20 This Consent Order is entered into between the Commissioner of Financial Protection and
21 Innovation (Commissioner) and Dickey’s Barbecue Restaurants, Inc., also known as Dickey’s
22 Barbecue Pit, Inc. (Dickey’s) (collectively the Parties) and is made with respect to the following
23 facts:

24 I.

25 Recitals

26 A. The Commissioner is the head of the Department of Financial Protection and
27 Innovation (Department) and is responsible for administering and enforcing the Franchise
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1 Investment Law (FIL) (Corp. Code, § 31000 et seq.),¹ and registering the offer and sale of franchises
2 in California. To register a franchise, a franchisor must file an application which includes a Uniform
3 Franchise Disclosure Document (FDD) with the Department for review and approval, in accordance
4 with sections 31111 and 31114. The FIL requires franchisors to disclose certain material
5 information which is intended to provide prospective franchisees with facts upon which to make an
6 informed decision to purchase a franchise, as stated in section 31001.

7 B. At all relevant times, Dickey’s is a Texas corporation, doing business at 850 Central
8 Parkway East, Suite 140, Plano, Texas 75074. At all relevant times, Dickey’s offers California
9 investors franchises specializing in barbecue-style meats and other food products. From 2012 to
10 2017, Dickey’s was registered with the Department to lawfully offer and sell Dickey’s franchises in
11 California, pursuant to the FIL. From 2018 to present, Dickey’s filed exemption notices pursuant to
12 section 31101, thereby exempting Dickey’s from the registration requirement set forth in the FIL.

13 C. Pursuant to section 31200, it is unlawful for any person willfully to make any untrue
14 statement of a material fact in any application, notice or report filed with the Commissioner under
15 the FIL, or willfully omit to state in any such application, notice, or report any material fact which is
16 required to be stated therein or fail to notify the Commissioner of any material change as required by
17 section 31123. Pursuant to Federal Trade Commission Amended Rule 16 CFR §436.5(t)(5) (Rule),
18 in Item 20 of an FDD, a franchisor must disclose the franchisees who have had an outlet terminated,
19 canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the
20 franchisor’s franchise agreement most recently completed fiscal year (Former Franchisees). If the
21 franchisor is selling a previously owned outlet that is now under their control, then the franchisor
22 must disclose up to five (5) fiscal years. The Department deems this information regarding Former
23 Franchisees as material to all reports, filings, applications, and notices filed with the Department.

24 In or about November 2023 and March 2026, the Department issued a FIL compliance
25 examination to Dickey’s which included, but was not limited to, a request for Dickey’s FDD,
26 franchisee termination notices, and franchise agreements. In February 2024 and March 2026,
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¹ All further statutory references are to the Corporations Code unless otherwise indicated.

1 Dickey’s timely responded to the Department’s compliance examination requests by submitting all
2 documents requested (Examination Response Reports).

3 In the Examination Response Reports, Dickey’s filed their 2024 - 2025 FDD Item 20, Exhibit
4 O with the Department, listing all California Former Franchisees as of “May 31, 2024.” In
5 Dickey’s 2024-2025 FDD, Item 20 Exhibit O, Dickey’s listed twenty (20) California Former
6 Franchisees. However, there were thirty-six (36) Former Franchisees that should have been listed.
7 Dickey’s failed to disclose all California Former Franchisees, by missing sixteen (16) California
8 Former Franchisees on Exhibit O, due to clerical errors. Therefore, Dickey’s violated the Rule.
9 Dickey’s, while violating the Rule, also violated section 31200 because Dickey’s failed to disclose
10 the true number of Former Franchisees in their Examination Response Reports to the Commissioner.

11 D. The Commissioner hereby finds as follows:

12 On at least sixteen (16) occasions, Dickey’s stated an untrue statement of a material fact in
13 any application, notice or report filed with the Commissioner under the FIL, or willfully omit to state
14 in any such application, notice, or report any material fact which is required to be stated therein or
15 fail to notify the Commissioner of any material change as required by section 31123, in violation of
16 section 31200.

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

19 **II.**

20 **Terms and Conditions**

21 1. Purpose. This Consent Order resolves the issues set forth above before the
22 Commissioner in a manner that avoids the expense of a hearing and other possible court
23 proceedings, protects consumers, is in the public interest, and is consistent with the purposes and
24 provisions of the applicable law.

25 2. Desist and Refrain Order. Pursuant to Corporations Code section 31406, Dickey’s
26 Barbecue Restaurants, Inc., also known as Dickey’s Barbecue Pit, Inc., is hereby ordered to desist
27 and refrain from the violations of Corporations Code section 31200 and any other provision of the
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1 FIL. The issuance of this order is necessary, in the public interest, for the protection of investors
2 and is consistent with the purposes, policies, and provisions of the FIL.

3 3. Penalties. Pursuant to Corporations Code section 31406, Dickey's Barbecue
4 Restaurants, Inc., also known as Dickey's Barbecue Pit, Inc., shall pay the Department
5 administrative penalties in the amount of thirty-six thousand and eight hundred dollars (\$36,800)
6 (Penalties) for sixteen (16) violations. The Penalties are due no later than fifteen (15) days after the
7 effective date of this Consent Order as defined in paragraph 21 (Effective Date). The Penalties must
8 be made payable in the form of a cashier's check or Automated Clearing House deposit to the
9 Department and transmitted to the attention of Accounting-Legal at the Department of Financial
10 Protection and Innovation, 651 Bannan Street, Suite 300, Sacramento, California 95811. Notice of
11 the payment must be concurrently sent via email to marisa.urteaga-watkins@dfpi.ca.gov. Failure to
12 pay Penalties in a timely manner shall be deemed to be a material breach of this Consent Order.

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

21 5. Failure to Comply with Consent Order. Dickey's agrees that if it fails to comply
22 with the Desist and Refrain Order in this Consent Order, the Commissioner may, in addition to all
23 other available remedies it may invoke under the FIL, summarily suspend, revoke, or deny its FIL
24 registration (if applicable). Dickey's stipulates to the finality of any such FIL registration
25 suspensions, revocations, or denials that the Commissioner may order. Dickey's waives any notice
26 and hearing rights to contest such summary suspensions, revocations, or denials which may be
27 afforded under the FIL, the APA, the CCP, or any other provision of law in connection therewith.
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1 6. Information Willfully Withheld or Misrepresented. This Consent Order may be
2 revoked, and the Commissioner may pursue any and all remedies available under law against
3 Dickey’s, if the Commissioner discovers that DICKEY’S knowingly or willfully withheld or
4 misrepresented information used for and relied upon in this Consent Order.

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

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

15 9. Headings. The headings to the paragraphs of this Consent Order are inserted for
16 convenience only and will not be deemed a part hereof or affect the construction or interpretation of
17 the provisions hereof.

18 10. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
19 interest.

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

1 12. Waiver, Amendments, and Modifications. No waiver, amendment, or modification
2 of this Consent Order will be valid or binding unless it is in writing and signed by each of the
3 Parties. The waiver of any provision of this Consent Order will not be deemed a waiver of any
4 other provision. No waiver by either Party of any breach of, or of compliance with, any condition
5 or provision of this Consent Order by the other Party will be considered a waiver of any other
6 condition or provision or of the same condition or provision at another time.

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

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

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

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

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

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20. Public Record. Dickey’s hereby acknowledges that this Consent Order is and will be a matter of public record.

21. 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 Dickey’s agent, Jeffrey Gruber, Esq., at jgruber@dickeys.com.

22. 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: 6/1/2026

KHALIL MOHSENI
Commissioner of Financial Protection
and Innovation

By: _____
COLLEEN MONAHAN
Deputy Commissioner

Dated: 6/1/2026

DICKEY’S BARBECUE RESTAURANTS, INC.,
also known as DICKEY’S BARBECUE PIT, INC.

By: _____
JEFFREY GRUBER
Senior Vice President & General Counsel
Dickey’s Capital Group