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MARY ANN SMITH
Deputy Commissioner
DOUGLAS M. GOODING
Assistant Chief Counsel
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Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of)	Case No. (Not yet assigned)
)	
THE COMMISSIONER OF BUSINESS)	
OVERSIGHT,)	STIPULATION AND SETTLEMENT
)	AGREEMENT
Complainant,)	
)	
v.)	
)	
BUGGY BUBBLES, LLC, dba STROLLER)	
SPA, STROLLER SPA FRANCHISING LLC,)	
and JAMIE MAMIKUNIAN,)	
)	
Respondents.)	
)	
)	
)	

In resolution of an inquiry into the possible offer and sale of unregistered franchises within the State of California, and without admitting or denying such activities, IT IS HEREBY STIPULATED AND AGREED between Buggy Bubbles, LLC dba Stroller Spa, Stroller Spa Franchising LLC, both California limited liability companies with locations at 127 Starview Way,

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2 San Francisco, CA 94131, and 3566 Sacramento Street, San Francisco, CA 94118 and Jamie
3 Mamikunian, owner and founder of Buggy Bubbles, LLC dba Stroller Spa and Stroller Spa
4 Franchising LLC, (hereinafter collectively referred to as “Respondents”) and the Commissioner of
5 the Department of Business Oversight (“Commissioner”) as follows:

6 1. The Commissioner issued an Order dated January 21, 2014 pursuant to California
7 Corporations Code section 31406, directing the Respondents to desist and refrain from the offer and
8 sale of unregistered franchises in the State of California. A true and correct copy of the Order is
9 attached hereto as Exhibit A. The Commissioner alleges that Respondents offered unregistered and
10 non-exempt franchises in violation of the California Franchise Investment Law (“CFIL”),
11 Corporations Code section 31000 *et seq.* and specifically Corporations Code section 31110, which
12 states in relevant part: “...it shall be unlawful for any person to offer or sell any franchise in this state
13 unless the offer of the franchise has been registered under this part or exempted...”. It is the intent
14 and understanding between the Parties that this Stipulation and any inferences that may be drawn
15 there from shall not be binding or admissible against Respondents in any pending or future actions
16 brought against Respondents by third Parties.

17 2. The Respondents, without admitting or denying such allegations, seek to resolve the
18 concerns of the Commissioner by entering into this Stipulation regarding the issuance of the Desist
19 and Refrain Order. The Parties hereby acknowledge and agree that this Stipulation is intended to
20 constitute a full, final and complete resolution of the Desist and Refrain Order. The Parties
21 acknowledge and agree that nothing contained in this Stipulation shall operate to limit the
22 Commissioner’s ability to assist any other agency, (county, state, or federal) with any prosecution,
23 administrative, civil or criminal, brought by any such agency against Respondents based upon any of
24 the activities alleged in these matters or otherwise.

25 3. Respondents agree, from the date of execution of this Stipulation, pursuant to California
26 Corporations Code section 31110, not to offer and/or sell franchises in the State of California without
27 registration, unless such franchise is exempt or not subject to registration, (commencing with section
28 31100 of the California Corporations Code).

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2 4. Respondents acknowledge that there are approximately 6 locations using the trademark
3 and trade name “Stroller Spa” located throughout California.

4 5. Respondents agree, as of the effective date of this Stipulation that the addition of new
5 locations in this state by Respondents shall only be implemented in full compliance with the CFIL
6 (California Corporations Code sections 31000 *et seq.*).

7 6. Subject to Respondents complying with the terms of this Stipulation and the Desist and
8 Refrain Order, and all the registration requirements of the Department, Respondents may offer and
9 sell franchises in the State of California, in compliance with the California Franchise Investment
10 Law.

11 7. Respondents hereby acknowledge that the Commissioner stands ready to grant a hearing in
12 relation to the above-mentioned Order. Respondents understand they have a right to a hearing with
13 regard to that Order, as set out in Corporations Code section 31406.

14 8. Respondents hereby voluntarily waive their right to a hearing in relation to the Desist and
15 Refrain Order against Respondents for violations of California Corporations Code section 31110, for
16 the offer and sale of unregistered, non-exempt franchises in the State of California. Respondents
17 further waive their right to any reconsideration, appeal, or other rights which may be afforded
18 pursuant to the Corporations Code, the California Administrative Procedure Act, the California Code
19 of Civil Procedure or any other provision of law in connection with this matter.

20 9. Respondents agree to pay the Department of Business Oversight administrative penalties
21 in the amount of \$1500, due at the time of execution of this Stipulation. Payment shall be made by
22 check payable to the Department of Business Oversight and delivered to Corporations Counsel, John
23 Drews at One Sansome Street, Suite 600, San Francisco, CA 94104.

24 10. The Parties hereto further stipulate that if evidence of the continuing offer or sale of
25 unregistered, non-exempt franchises by Respondents, or any of them, is discovered after the
26 execution of this Stipulation, the Commissioner may seek additional remedies against Respondents or
27 Respondent as the case may be. These remedies may include, but are not limited to, civil injunctive
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1 and ancillary relief and/or criminal prosecution as set out in the relevant parts of the CFIL, California
2 Corporations Code sections 31000 *et seq.*

3 11. All of the parties represent, warrant, and agree that they have received independent legal
4 advice from its attorney(s) with respect to the advisability of executing this Stipulation.

5 12. Each of the Parties represent, warrant, and agree that in executing this Stipulation they
6 have relied solely on the statements set forth herein and the advice of their own counsel. Each of the
7 Parties further represent, warrant, and agree that in executing this Stipulation it has placed no reliance
8 on any statement, representation, or promise of any other Party, or any other person or entity to make
9 any statement, representation, or disclosure of anything whatsoever. The Parties have included this
10 clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute this
11 Stipulation; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or
12 contradict the terms of this Stipulation.

13 13. This Stipulation is the final written expression and the complete and exclusive statement
14 of all the agreements, conditions, promises, representations, and covenants between the Parties with
15 respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements,
16 negotiations, representations, understandings, and discussions between and among the Parties, their
17 respective representatives, and any other person or entity, with respect to the subject matter covered
18 herein.

19 14. In that the Parties have had the opportunity to draft, review, and edit the language of this
20 Stipulation, no presumption for or against any Party arising out of drafting all or any part of this
21 Stipulation will be applied in any action relating, connected to, or involving this Stipulation.
22 Accordingly, the Parties waive the benefit of California Civil Code section 1654 and any successor or
23 amended statute, providing that in cases of uncertainty, language of a contract should be interpreted
24 most strongly against the Party who caused the uncertainty to exist.

25 15. This Stipulation may be executed in one or more counterparts, each of which shall be an
26 original but all of which, together, shall be deemed to constitute a single document.

27 16. Each signatory hereto covenants that he/she possesses all necessary capacity and

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3 authority to sign and enter into this Stipulation.

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5 Dated: April 2, 2014

JAN LYNN OWEN
Commissioner of Business Oversight

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By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

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12 Dated: March 31, 2014

JAN LYNN OWEN
Commissioner of Business Oversight

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By _____
JOHN R. DREWS
Corporations Counsel
Enforcement Division

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20 Dated: March 28, 2014

BUGGY BUBBLES, LLC dba STROLLER SPA,
STROLLER SPA FRANCHISING LLC

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By _____
JAMIE MAMIKUNIAN
Owner and Founder

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