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8
9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA

11 In the Matter of THE CALIFORNIA) OAH Case No.: 2011030530
12 CORPORATIONS COMMISSIONER,)
13 Complainant,) **SECOND AMENDMENT TO**
14 vs.) **STIPULATION AND AGREEMENT**
15) **DATED FEBRUARY 21, 2012**
16 Garlic Jim’s Franchise International, Inc. and)
Dwayne Northrop,)
17 Respondents.)
18)
19)

20 THIS SECOND AMENDMENT TO STIPULATION AND AGREEMENT DATED
21 FEBRUARY 21, 2012 is made and entered into as of the 5th day of December, 2012 by and between
22 RESPONDENTS GARLIC JIM’S FRANCHISE INTERNATIONAL, INC. (“GARLIC JIM’S”)
23 AND DWAYNE NORTHROP (“NORTHROP”), AND COMPLAINANT JAN LYNN OWEN,
24 COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA
25 (“COMMISSIONER”).

26 **RECITALS**

27 A. Garlic Jim’s and the Commissioner are parties to a Stipulation and Agreement dated
28 February 21, 2012.

1 B. Garlic Jim's and the Commissioner hereby stipulate and agree to further amend the
2 Stipulation and Agreement dated February 21, 2012 as set forth below.

3 NOW WHEREFORE, in consideration of the foregoing, and the terms and conditions set
4 forth herein, the Commissioner and the Respondents ("the Parties") agree as follows:

5 **TERMS AND CONDITIONS**

6 1. Defined Terms. Any capitalized terms in this Second Amendment that are not defined herein shall
7 have the meaning assigned to them in the Stipulation and Agreement dated February 21, 2012.

8 2. Payment of Citations. Respondents hereby agree to pay to the Commissioner citations totaling
9 SEVENTY THOUSAND DOLLARS (\$70,000) ("Citation Payment") in full satisfaction of the
10 citations assessed in the Enforcement Action. Installment payments in the amount of thirty five
11 thousand dollars and zero cents (\$35,000) have been previously paid. The Parties stipulate and agree
12 to further modify the installment payment schedule set forth in Paragraph 8 of the Stipulation and
13 Agreement dated February 21, 2012 (and which was previously modified in the First Amendment to
14 Stipulation and Agreement dated September 24, 2012), and the remaining balance due in the amount
15 of THIRTY-FIVE THOUSAND DOLLARS (\$35,000) shall be paid by way of eight future
16 installments as follows:

17 a) The first installment payment of four thousand three hundred and seventy-five dollars
18 (\$4,375) shall be due on or before December 28, 2012.

19 b) The second installment payment of four thousand three hundred and seventy-five
20 dollars (\$4,375) shall be due on or before January 28, 2013.

21 c) The third installment payment of four thousand three hundred and seventy-five dollars
22 (\$4,375) shall be due on or before February 28, 2013.

23 d) The fourth installment payment of four thousand three hundred and seventy-five
24 dollars (\$4,375) shall be due on or before March 28, 2013.

25 e) The fifth installment payment of four thousand three hundred and seventy-five dollars
26 (\$4,375) shall be due on or before April 28, 2013.

27 f) The sixth installment payment of four thousand three hundred and seventy-five dollars
28 (\$4,375) shall be due on or before May 28, 2013.

1 g) The seventh installment payment of four thousand three hundred and seventy-five
2 dollars (\$4,375) shall be due on or before June 28, 2013.

3 h) The eighth and final installment payment of four thousand three hundred and seventy-
4 five dollars (\$4,375) shall be due on or before July 28, 2013.

5 The Citation Payment shall be paid by cashier's check to the order of the "California
6 Department of Corporations" and must be sent via overnight mail delivery to: Joanne Ross,
7 Corporations Counsel, Department of Corporations, Enforcement Division, 1515 K Street, Suite 200,
8 Sacramento, California 95814. Payments shall be deemed to be timely made if received on or before
9 the due date set forth in this paragraph.

10 3. No Other Modification. Except as expressly modified or amended herein, all provisions of the
11 Stipulation and Agreement dated February 21, 2012 Agreement shall remain in full force and effect
12 and continue to govern the parties thereto.

13 4. Counterparts. This Second Amendment may be executed in any number of counterparts by the
14 Parties and when each party has signed and delivered at least one such counterpart to the other party,
15 each counterpart shall be deemed an original and taken together shall constitute one and the same
16 Agreement.

17 5. Modifications and Qualified Integration. No amendment, change or modification of this Second
18 Amendment shall be valid or binding to any extent unless it is in writing and signed by all of the
19 Parties affected by it.

20 6. Headings and Governing Law. The headings to the paragraphs of this Second Amendment are
21 inserted for convenience only and will not be deemed a part hereof or affect the construction or
22 interpretation of the provisions hereof. This Second Amendment shall be construed and enforced in
23 accordance with and governed by California law.

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IN WITNESS WHEREOF, the Parties hereto have approved and executed this Second Amendment to Stipulation and Agreement dated February 21, 2012 on the dates set forth opposite their respective signatures.

Dated: 12/10/12

JAN LYNN OWEN
California Corporations Commissioner

By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

GARLIC JIM'S FRANCHISE INTERNATIONAL, INC.

Dated: 12/6/12

By: _____
DWAYNE NORTHROP
President and Chief Executive Officer

Dated: 12/6/12

DWAYNE NORTHROP, as an Individual

Dated: 12/6/12

Approved as to form by: _____
ANDREW P. BLEIMAN, ESQ.
MARKS & KLEIN
Attorneys for Respondents