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8 Attorneys for Complainant

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10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA

11 In the Matter of THE COMMISSIONER OF)
12 BUSINESS OVERSIGHT OF THE STATE)
13 OF CALIFORNIA,) SETTLEMENT AGREEMENT BETWEEN
14 Complainant,) THE DEPARTMENT OF BUSINESS
15 v.) OVERSIGHT, STEVE’S PIZZA
16 STEVE’S PLACE, INC., STEVE’S PIZZA) FRANCHISE CORPORATION, INC.,
17 FRANCHISE CORPORATION, d.b.a.) BRAND EQUITY DEVELOPMENT, L.L.C.,
18 STEVE’S PIZZA, PASSPORT) AND WILLIAM S. GLENNIE
19 RESTAURANTS, INC, dba PACIFIC)
20 RESTAURANT HOLDINGS, INC., STEVE)
21 WILKINSON, JOHN CREED,)
www.stevespizza.com, BRAND EQUITY)
22 DEVELOPMENT, L.L.C., and WILLIAM S.)
GLENNIE)
Respondents.)

23 This Settlement Agreement (“Agreement”) is entered into between Respondent STEVE’S
24 PIZZA FRANCHISE CORPORATION, INC., a California corporation, (“CORP”), BRAND
25 EQUITY DEVELOPMENT, L.L.C., (“BRAND”) a Colorado limited liability company, and
26 WILLIAM S. GLENNIE (“GLENNIE”), as an individual, and as a representative for CORP and
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1 BRAND, and the Commissioner of Business Oversight (formerly the Commissioner of Corporations)
2 (“Commissioner”) (together, the “Parties”), and is made with respect to the following facts:

3 **RECITALS**

4 A. Respondent GLENNIE is an individual residing in the state of Colorado, doing
5 business in Sacramento County. GLENNIE owns, operates and represents Respondent BRAND and
6 Respondent CORP as of January 23, 2009. BRAND is a Colorado limited liability company doing
7 business in Sacramento County. CORP is a California corporation doing business in Sacramento
8 County. CORP is in the business of selling or operating restaurant franchises serving pizza,
9 (collectively referred to as “Respondents.”)

10 B. On April 10, 2013, the Commissioner issued to Respondents a Citation including
11 Desist and Refrain Order (“Order”) and Assessment of Administrative Penalties (“Penalties”)
12 pursuant to Corporations Code section 31406; and Claim for Ancillary Relief (“Relief”) pursuant to
13 Corporations Code section 31408, (collectively the “2013 Action” or “Action”) attached and
14 incorporated herein as “Exhibit 1”.

15 C. The Action was served on BRAND, GLENNIE, and CORP in April 2013. GLENNIE
16 issued a timely written administrative hearing request and waiver of statutory time requirements in
17 which to hold the hearing on behalf of GLENNIE, BRAND, and CORP to the Commissioner in
18 April, 2013.

19 D. It is the intention of the Parties to resolve this matter without the necessity of an
20 administrative hearing or any other litigation.

21 NOW, THEREFORE, for good and valuable consideration, and the terms and conditions set
22 forth herein, the Parties agree as follows:

23 **TERMS AND CONDITIONS**

- 24 1. This Agreement is entered into for the purpose of judicial economy and expediency.
25 2. Each Party represents, warrants, and agrees that it has received or been advised to
26 seek independent legal advice from an attorney with respect to the advisability of executing this
27 Agreement.
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1 3. GLENNIE, BRAND and CORP, in and for purposes of entering into this Agreement,
2 neither admit nor deny the preceding allegations set forth in the Action.

3 4. GLENNIE, BRAND and CORP understand, agree and consent that GLENNIE,
4 BRAND and CORP are ordered to desist and refrain from filing registration and renewal applications
5 that result in willful omissions of material fact, and from failing to provide prompt notification of
6 material changes, in accordance with Corporations Code sections 31200 and 31123. GLENNIE,
7 BRAND and CORP also understand, consent, and hereby agree that GLENNIE, BRAND and CORP
8 are ordered to desist and refrain from the further offer or sale of Steve’s Pizza franchises unless and
9 until the offers have been duly registered under the Franchise Investment Law or exempt.

10 5. GLENNIE, BRAND and CORP acknowledge their right to a hearing under the
11 Franchise Investment Law in connection with the Action. GLENNIE, BRAND and CORP hereby
12 agree to the finality of the Order and the Action and voluntarily waive all rights to reconsideration,
13 appeal, or other rights which may be afforded pursuant to the Franchise Investment Law, or any other
14 provision of law in connection with these matters, including but not limited to Government Code
15 sections 11521 and 11523, and any writ proceeding in accordance with the Code of Civil Procedure.

16 6. GLENNIE, BRAND and CORP hereby agree to the terms of this Agreement in
17 settlement of the Action.

18 7. GLENNIE, BRAND, and CORP hereby agree to pay, as full settlement of all Penalties
19 assessed in the Action, the amount of five thousand dollars (\$5,000.00) (“Settlement Amount
20 Penalties”), in compliance with the following terms, in two (2) installments:

21 Installment Payment One due May 22, 2015 - GLENNIE, BRAND and CORP shall
22 jointly pay the first installment payment of Settlement Amount Penalties in the sum of two thousand
23 five hundred dollars (\$2,500.00) by cashier’s check or money order by 5:00pm Friday, May 22, 2015
24 to the Department of Business Oversight Attn: Marisa I. Urteaga-Watkins, Counsel, 1515 K Street,
25 #200, Sacramento, CA 95814; and

26 Installment Payment Two due May 29, 2015 – GLENNIE, BRAND and CORP shall
27 jointly then pay the second installment payment of Settlement Amount Penalties in the sum of two
28 thousand five hundred dollars (\$2,500.00) by cashier’s check or money order by 5:00pm Friday, May

1 29, 2015 to the Department of Business Oversight Attn: Marisa I. Urteaga-Watkins, Counsel, 1515 K
2 Street, #200, Sacramento, CA 95814.

3 8. The Parties agree that should GLENNIE, BRAND, and CORP fail to comply with
4 Paragraph 7, the full Penalties will be immediately due and payable, and that such failure will be a
5 violation of this Agreement.

6 9. GLENNIE, BRAND and CORP hereby agree that their request for administrative
7 hearing issued to the Department in April, 2013 shall remain outstanding and in effect with the Office
8 of Administrative Hearings and the Department, unless and until all Settlement Amount Penalties are
9 tendered to the Commissioner in accordance with the payments terms set forth in paragraph 7 herein.
10 By this Agreement, GLENNIE, BRAND and CORP do hereby acknowledge that the currently
11 scheduled hearing will remain on calendar, unless and until all Settlement Amount Penalties are
12 tendered to the Commissioner in accordance with the payments terms set forth in paragraph 7 herein.
13 If any part of the Settlement Agreement Penalties is not paid in accordance with said terms, this
14 Settlement Agreement will be deemed null and void, and the Commissioner may proceed against
15 GLENNIE, BRAND, AND CORP for all relief sought in the original Action.

16 10. GLENNIE, BRAND and CORP shall withdrawal their request for administrative
17 hearing in writing no later than 5pm of the immediately preceding business day in which payment is
18 made by GLENNIE, BRAND, and CORP to the Department of all Settlement Amount Penalties due
19 as set forth in paragraph 7 herein. GLENNIE, BRAND and CORP shall tender their withdrawal of
20 their request for administrative hearing in writing to: the Department of Business Oversight Attn:
21 Marisa I. Urteaga-Watkins, Counsel, 1515 K Street, #200, Sacramento, CA 95814. Such withdraw
22 may also be made by way of electronic mail sent to the following address: Marisa.Urteaga-
23 Watkins@dbo.ca.gov.

24 11. GLENNIE, BRAND and CORP acknowledge that this Agreement is a public record.

25 12. It is the intent and understanding between the Parties that this Agreement shall not be
26 binding or admissible against GLENNIE, BRAND and CORP in any action(s) brought against
27 GLENNIE, BRAND and CORP by third parties.

28 13. The Commissioner reserves the right to bring any unknown or future actions against

1 GLENNIE, BRAND, CORP or any of his partners, employees or successors for any and all unknown
2 or future violations of the Franchise Investment Law. This Agreement shall not serve to exculpate
3 GLENNIE, BRAND, CORP or any of their partners, employees or successors from liability for any
4 and all future violations of the Franchise Investment Law

5 14. The Parties hereby acknowledge and agree that this Agreement is intended to
6 constitute a full, final and complete resolution of the Action. The Parties further acknowledge and
7 agree that nothing contained in this Agreement shall operate to limit the Commissioner's ability to
8 assist any other agencies with any administrative, civil or criminal prosecution brought by any such
9 agency against GLENNIE, BRAND, CORP, or any other person or entity, based upon any of the
10 activities alleged in this matter or otherwise.

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

19 16. This Agreement, including Exhibit 1, is the final written expression and the complete
20 and exclusive statement of all the agreements, conditions, promises, representations, and covenants
21 between the Parties with respect to the subject matter hereof, and supersedes all prior or
22 contemporaneous agreements, negotiations, representations, understandings, and discussions between
23 and among the Parties, their respective representatives, and any other person or entity.

24 17. In that the Parties have had the opportunity to draft, review and edit the language of
25 this Agreement, no presumption for or against any party arising out of drafting all or any part of this
26 Agreement will be applied in any action relating to, connected to, or involving this Agreement.
27 Accordingly, the Parties waive the benefit of Civil Code section 1654 and any successor or amended
28 statute, providing that in cases of uncertainty, language of a contract should be interpreted most

1 strongly against the party who caused the uncertainty to exist.

2 18. This Agreement shall not become effective until signed by all Parties. The
3 Commissioner shall file this Agreement with the Office of Administrative Hearings five (5) business
4 days after execution by all Parties.

5 19. This Agreement may be executed in any number of counterparts by the Parties and when
6 each party has signed and delivered at least one such counterpart to the other party, each counterpart
7 shall be deemed an original and taken together shall constitute one and the same Agreement.

8 20. No amendment, change or modification of this Agreement shall be valid or binding to
9 any extent unless it is in writing and signed by all of the Parties affected by it.

10 21. This Agreement shall be construed and enforced in accordance with and governed by
11 California law.

12 22. Each party covenants that they possess all necessary capacity and authority to sign and
13 enter into this Agreement. Each party warrants and represents that such party is fully entitled and duly
14 authorized to enter into and deliver this Agreement. In particular, and without limiting the generality
15 of the foregoing, each party warrants and represents that it is fully entitled to enter into the covenants,
16 and undertake the obligations set forth herein.

17 23. The Parties each represent and acknowledge that they are executing this Agreement
18 completely voluntarily and without any duress or undue influence of any kind from any source.

19 24. Notice shall be provided to each party at the following addresses:

20 If to Respondents to:

21 William Glennie
22 1240 Detroit Street
23 Denver, CO 80206

24 If to the Commissioner to:

25 Marisa I. Urteaga-Watkins, Esq.
26 Department of Business Oversight
27 1515 K Street, Suite 200
28 Sacramento, CA 95814

IN WITNESS WHEREOF, the Parties hereto have approved and executed this Agreement on
the dates set forth opposite their respective signatures.

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Dated: 5/14/15

JAN LYNN OWEN
Commissioner of Business Oversight

By _____

MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: 5/14/15

By _____

WILLIAM GLENNIE, as an individual

STEVE'S PIZZA FRANCHISE
CORPORATION, INC., A California
Corporation

Dated: 5/14/15

By _____

WILLIAM GLENNIE, as a representative of
STEVE'S PIZZA FRANCHISE
CORPORATION, INC.

BRAND EQUITY DEVELOPMENT, L.L.C.,
A Colorado Limited Liability Company

Dated: 5/14/15

By _____

WILLIAM GLENNIE, as a representative of
BRAND EQUITY DEVELOPMENT, L.L.C.