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Attorneys for Complainant

BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
OF THE STATE OF CALIFORNIA

In the Matter of:	)	
	)	
THE COMMISSIONER OF FINANCIAL	)	
PROTECTION AND INNOVATION,	)	
	)	
Complainant,	)	CONSENT ORDER
v.	)	
	)	
Rabbit Rabbit Co., Ltd. (a Taiwanese	)	
company) and YSF, LLC (a Washington	)	
limited liability company)	)	
	)	
Respondents.	)	

This Consent Order is entered into between the Commissioner of Financial Protection and Innovation (Commissioner) and Rabbit Rabbit Co, Ltd. and YSF, LLC (Respondents), (Commissioner and Respondents, collectively, the Parties) and is made with respect to the following facts:

**I.**

**Recitals**

A. The Commissioner is the head of the Department of Financial Protection and Innovation (formerly the Department of Business Oversight) (Department) and is responsible for

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

8 B. Rabbit Rabbit Co., Ltd. (Rabbit Rabbit) is a Taiwanese corporation formed on  
9 December 19, 2016 and is not authorized to conduct business in California. Rabbit Rabbit’s  
10 principal business address is No. 20, Alley 8, Lane 133, Sec. 4, Nanjing E. Rd., Songshan Dist.,  
11 Taipei City, Taiwan.

12 C. YSF, LLC (YSF) is a Washington limited liability company formed on June 18, 2019  
13 and is not authorized to conduct business in California. YSF’s principal business address is 2100  
14 NW Harvard Pl. Unit E311, Issaquah, WA 98027-7523.

15 D. The Commissioner finds that Rabbit Rabbit offered and sold non-exempt,  
16 unregistered franchises to at least one franchisee in California from November 2017 to the present in  
17 violation of section 31110 and failed to provide the prospective franchisees, at least 14 days prior to  
18 the execution by the prospective franchisee of any binding franchise or other agreement or receipt of  
19 any consideration, whichever occurs first, a copy of a franchise disclosure document in violation of  
20 section 31119.

21 E. Rabbit Rabbit subsequently assigned such unregistered franchises to YSF.

22 F. When Respondents learned of the violation, they notified the Commissioner of the  
23 violation themselves and acknowledge and agree with the Commissioner’s findings.

24 G. NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions  
25 set forth herein, the Parties agree as follows:  
26  
27  
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<sup>1</sup> All further statutory references are to the Corporations Code unless otherwise indicated.

1 II.

2 **Terms and Conditions**

3 1. **Purpose.** This Consent Order resolves the issues before the Commissioner,  
4 described in the recitals above, in a manner that avoids the expense of a hearing and other possible  
5 court proceedings, protects consumers, is in the public interest, and is consistent with the purposes  
6 and provisions of the FIL.

7 2. **Desist and Refrain Order.** Pursuant to Corporations Code sections 31402 and 31406,  
8 Respondents are hereby ordered to desist and refrain from the violations set forth herein.

9 3. **Notice of Consent Order**

10 a. Respondents shall provide a copy of this Consent Order via email to all  
11 franchisees who purchased a franchise from November 2017 to present (Franchisee Class).

12 b. Within 30 days of the Effective Date of this Consent Order, Respondents shall  
13 submit to the Commissioner proof(s) of service by copying Lulu Gomez, Senior Counsel, at  
14 lulu.gomez@dfpi.ca.gov on each email sent to the franchisee(s) in the Franchisee Class.  
15 Respondents shall not include any other documents in the email.

16 4. **Waiver of Hearing Rights.** Respondents acknowledge that the Commissioner is  
17 ready, willing, and able to proceed with the filing of an administrative enforcement action on the  
18 charges contained in this Consent Order. Respondents hereby waive the right to any hearings, and to  
19 any reconsideration, appeal, or other right to review which may be afforded pursuant to the FIL, the  
20 California Administrative Procedure Act, the California Code of Civil Procedure, or any other  
21 provision of law. Respondents further expressly waive any requirement for the filing of an action  
22 pursuant to Government Code section 11415.60, subdivision (b). By waiving such rights,  
23 Respondents effectively consent to this Consent Order and all of its terms becoming final.

24 5. **Opportunity to Cure.** In the event Respondents fail to comply with the terms of this  
25 Consent Order (except for the Desist and Refrain Order), Respondents will have 10 calendar days to  
26 cure such breach from the date written notice of the breach (Notice) is emailed by the Commissioner  
27 to Respondents at the email addresses in paragraph 19. Proof of cure, satisfactory to the  
28 Commissioner, shall be sent via traceable method with a notice via email by Respondents so that it is

1 received within 15 days of the date of Notice to Lulu Gomez, Senior Counsel, at  
2 lulu.gomez@dfpi.ca.gov.

3 6. Failure to Comply with Desist and Refrain Order or Cure Breach. Respondents  
4 agree that if they fail to comply with the Desist and Refrain Order in this Consent Order, or fail to  
5 timely cure any breach to the satisfaction of the Commissioner, the Commissioner may, in addition  
6 to all other available remedies it may invoke under the FIL, summarily suspend, revoke, or deny  
7 their FIL registration(s) (if applicable). Respondents stipulate to the finality of any such FIL  
8 registration suspensions, revocations, or denials that the Commissioner may order. Respondents  
9 waive any notice and hearing rights to contest such summary suspensions, revocations, or denials  
10 which may be afforded under the FIL, the California Administrative Procedure Act, the California  
11 Code of Civil Procedure, or any other provision of law in connection therewith.

12 7. Information Willfully Withheld or Misrepresented. This Consent Order may be  
13 revoked, and the Commissioner may pursue any and all remedies available under law against  
14 Respondents if the Commissioner discovers that Respondents knowingly or willfully withheld or  
15 misrepresented information used for and relied upon in this Consent Order.

16 8. Future Actions by Commissioner. If Respondents fail to comply with any terms of  
17 the Consent Order, the Commissioner may institute proceedings for any and all violations otherwise  
18 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions  
19 against Respondents, or any of their partners, owners, officers, shareholders, directors, employees or  
20 successors for any and all unknown violations of the FIL or any other law under the Commissioner’s  
21 jurisdiction.

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

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

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

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

12           13.    Waiver, Amendments, and Modifications. No waiver, amendment, or modification  
13 of this Consent Order will be valid or binding unless it is in writing and signed by each of the  
14 Parties. The waiver of any provision of this Consent Order will not be deemed a waiver of any  
15 other provision. No waiver by any party of any breach of, or of compliance with, any condition  
16 or provision of this Consent Order by the other party will be considered a waiver of any other  
17 condition or provision or of the same condition or provision at another time.

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

24           15.    Governing Law. This Consent Order will be governed by and construed in  
25 accordance with California law. Each of the Parties hereto consents to the jurisdiction of such  
26 court, and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an  
27 inconvenient forum to the maintenance of such action or proceeding in such court.  
28

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

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

8           18.    Voluntary Agreement. Respondents enter into this Consent Order voluntarily and  
 9 without coercion and acknowledges that no promises, threats or assurances have been made by the  
 10 Commissioner or any officer, or agent thereof, about this Consent Order. The Parties each  
 11 represent and acknowledge that he, she or it is executing this Consent Order completely voluntarily  
 12 and without any duress or undue influence of any kind from any source.

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

15           To Rabbit Rabbit:                           FANG YI SHENG  
 16   Rabbit Rabbit Co., Ltd.  
 17   No. 20, Alley 8, Lane 133, Sec. 4  
 18   Nanjing E. Rd., Songshan Dist.  
 19   Taipei City, Taiwan (R.O.C.)  
 20   ricenoodle.fun@gmail.com

21           To YSF:   FANG YI SHENG  
 22   YSF, LLC  
 23   No. 20, Alley 8, Lane 133, Sec. 4  
 24   Nanjing E. Rd., Songshan Dist.  
 25   Taipei City, Taiwan (R.O.C.)  
 26   ricenoodle.fun@gmail.com

27           To the Commissioner:                       Lulu Gomez, Senior Counsel  
 28   Department of Financial Protection and Innovation  
    320 W 4<sup>th</sup> Street, Suite 750  
    Los Angeles, CA 90013  
    lulu.gomez@dfpi.ca.gov

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

1           21.    Public Record. Respondents hereby acknowledge that this Consent Order is and will  
2 be a matter of public record.

3           22.    Effective Date. This Consent Order shall become final and effective when signed by  
4 all Parties and delivered by the Commissioner’s agent via e-mail to Respondents’ agent, Susan  
5 Grueneberg, Cozen O’Connor, sgrueneberg@cozen.com.

6           23.    Authority to Sign. Each signatory hereto covenants that he/she possesses all  
7 necessary capacity and authority to sign and enter into this Consent Order and undertake the  
8 obligations set forth herein.

9  
10 Dated: 5/13/2021

MANUEL P. ALVAREZ  
Commissioner of Financial Protection and Innovation

11  
12 By: \_\_\_\_\_  
13 JENNIFER RUMBERGER  
14 Deputy Commissioner

15 Dated: 5/12/2021

Rabbit Rabbit Co., Ltd.

16  
17 By: \_\_\_\_\_  
18 FANG YI SHENG  
19 Representative

20 Dated: 5/12/2021

YSF, LLC

21  
22 By: \_\_\_\_\_  
23 FANG YI SHENG  
24 Manager

