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8  
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 )  
PROTECTION AND INNOVATION, )  
13 Complainant, ) CONSENT ORDER  
14 v. )  
15 SCHOOL IS EASY USA, LLC doing business )  
as SCHOOL IS EASY )  
16 Respondent. )  
17 )  
18 )

19 This Consent Order is entered into between the Commissioner of Financial Protection and  
20 Innovation (Commissioner), and School is Easy USA, LLC, doing business as School is Easy  
21 (SEU) (collectively, Parties) and is made with respect to the following facts:

22 **I.**

23 **RECITALS**

24 A. The Commissioner is the head of the Department of Financial Protection and  
25 Innovation (Department) and is responsible for administering and enforcing the Franchise  
26 Investment Law (FIL) (Corp. Code, § 31000 et seq.),<sup>1</sup> and registering the offer and sale of franchises  
27  
28

<sup>1</sup> All further statutory references are to the Corporations Code unless otherwise indicated.

1 in California. To offer a franchise, subfranchise or area representation in California, franchisor must  
2 be registered with the Department., in accordance with section 31110.

3 B. At all relevant times, SEU was and is a Delaware limited liability company, with a  
4 principal place of business located at 30 Broad Street, 17<sup>th</sup> Floor, Philadelphia, Pennsylvania 19102.  
5 At all relevant times, SEU sells franchise that provide in-home and online teaching for children and  
6 adults as well as other ancillary and related services and products.

7 C. At all relevant times, School is Easy California Group, Inc. was and is a  
8 subfranchisor. A subfranchisor is granted the right by SEU to offer and sell franchises to third parties  
9 within a delineated geographic area.

10 D. On October 23, 2017, SEU sold a subfranchise to School is Easy California Group,  
11 Inc. in California without a valid registration or exemption.

12 E. The Commissioner finds that SEU violated section 31110 by selling an unregistered  
13 subfranchise in California.

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

16 **II.**

17 **TERMS AND CONDITIONS**

18 1. Purpose. This Consent Order resolves the issues before the Commissioner [findings  
19 in paragraphs A through E above] in a manner that avoids the expense of a hearing and other  
20 possible court proceedings, protects consumers, is in the public interest, and is consistent with the  
21 purposes and provisions of the applicable law.

22 2. Desist and Refrain Order. Pursuant to Corporations Code sections 31402 and 31406,  
23 SEU is hereby ordered to desist and refrain from the violations set forth herein, in violation of  
24 Corporations Code section 31110. The issuance of this Consent Order is necessary, in the public  
25 interest, for the protection of investors and is consistent with the purposes, policies, and provisions of  
26 the Franchise Investment Law.

27 3. Penalty. SEU shall pay, within 15 business days of the date of this Consent Order, an  
28 administrative penalty of \$2,500 (Penalty) payable in the form of a cashier's check or Automated

1 Clearing House deposit to the Department and transmitted to the attention of Accounting-Legal,  
2 Department of Financial Protection and Innovation, 2101 Arena Boulevard, Sacramento, California  
3 95835. Notice of the payment must be concurrently sent via email to Anne Marie Wong at  
4 [AnneMarie.Wong@dfpi.ca.gov](mailto:AnneMarie.Wong@dfpi.ca.gov). Failure to pay the Penalty in accordance with this paragraph shall  
5 be deemed to be a material breach of this Consent Order.

6 4. Waiver of Hearing Rights. SEU acknowledges that the Commissioner is ready,  
7 willing, and able to proceed with the filing of an administrative enforcement action on the charges  
8 contained in this Consent Order. SEU hereby waives the right to any hearings, and to any  
9 reconsideration, appeal, or other right to review which may be afforded pursuant to the FIL, the  
10 Administrative Procedure Act (APA), the Code of Civil Procedure (CCP), or any other provision of  
11 law. SEU expressly waives any requirement for the filing of an Accusation pursuant to Government  
12 Code section 11415.60, subdivision (b). By waiving such rights, SEU effectively consents to this  
13 Consent Order becoming final.

14 5. Failure to Comply with Consent Order. SEU agrees that if they fail to comply with  
15 the terms of this Consent Order, the Commissioner may, in addition to all other available remedies  
16 it may invoke under the FIL, summarily suspend/revoke its FIL registration (if applicable),  
17 summarily and permanently bar SEU from offering and selling franchises in California or deny FIL  
18 applications (if applicable). SEU waives any notice and hearing rights to contest such summary  
19 actions by the Commissioner which may be afforded under the FIL, the APA, the CCP, or any other  
20 provision of law in connection therewith.

21 6. Information Willfully Withheld or Misrepresented. This Consent Order may be  
22 revoked, and the Commissioner may pursue any and all remedies available under law against SEU  
23 if the Commissioner discovers that SEU knowingly or willfully withheld or misrepresented  
24 information used for and relied upon in this Consent Order.

25 7. Future Actions by Commissioner. If SEU fails to comply with any terms of the  
26 Consent Order, the Commissioner may institute proceedings for any and all violations otherwise  
27 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions  
28

1 against SEU, or any of their partners, owners, officers, shareholders, directors, employees or  
2 successors for any and all unknown violations of the FIL.

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

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

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

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

21 12. Waiver, Amendments, and Modifications. No waiver, amendment, or modification  
22 of this Consent Order will be valid or binding unless it is in writing and signed by each of the  
23 Parties. The waiver of any provision of this Consent Order will not be deemed a waiver of any  
24 other provision. No waiver by either party of any breach of, or of compliance with, any condition  
25 or provision of this Consent Order by the other party will be considered a waiver of any other  
26 condition or provision or of the same condition or provision at another time.

27 13. Full Integration. This Consent Order is the final written expression and the complete  
28 and exclusive statement of all the agreements, conditions, promises, representations, and covenant

1 between the Parties with respect to the subject matter hereof, and supersedes all prior or  
2 contemporaneous agreements, negotiations, representations, understandings, and discussions  
3 between and among the Parties, their respective representatives, and any other person or entity with  
4 respect to the subject matter covered hereby.

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

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

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

16 17. Voluntary Order. SEU enters into this Consent Order voluntarily and without  
17 coercion and acknowledges that no promises, threats or assurances have been made by the  
18 Commissioner or any officer, or agent thereof, about this Consent Order. The Parties each represent  
19 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and  
20 without any duress or undue influence of any kind from any source.

21 18. Notice. Any notice required under this Consent Order shall be provided to each  
22 party at the following addresses:

23 To SEU: Susan Grueneberg, Esq.  
24 Cozen O’Connor  
25 601 S. Figueroa Street, Ste 3700  
Los Angeles, CA 90017

26 To the Commissioner: Anne Marie Wong, Esq.  
27 Department of Financial Protection and Innovation  
28 One Sansome, Suite 600  
San Francisco, CA 94104

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

3            20.    Public Record. SEU hereby acknowledges that this Consent Order is and will be a  
4 matter of public record.

5            21.    Effective Date. This Consent Order shall become final and effective when signed by  
6 all Parties and delivered by the Commissioner’s agent via e-mail to SEU’s agent, Susan  
7 Grueneberg, Esq. at SGrueneberg@cozen.com.

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

11  
12 Dated: 11/23/2021

CHRISTOPHER SHULTZ  
Acting Commissioner of Financial Protection and  
Innovation

13  
14 By: \_\_\_\_\_

JENNIFER RUMBERGER  
Deputy Commissioner

15  
16  
17 Dated: 11/22/2021

SCHOOL IS EASY USA, LLC, doing business as  
SCHOOL IS EASY

18  
19 By: \_\_\_\_\_

Douglas J. Simsovic  
President