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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 G.C. FRANCHISING SYSTEMS, INC., doing )  
business as THE GROWTH COACH, )  
16 Respondent. )  
17 )  
18 )

19 This Consent Order is entered into between the Commissioner of Financial Protection and  
20 Innovation (Commissioner), and G.C. Franchising Systems, Inc., doing business as The Growth  
21 Coach (GCFS) (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 in California. To register a franchise, a franchisor must file an application which includes a Uniform  
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<sup>1</sup> All further statutory references are to the Corporations Code unless otherwise indicated.

1 Franchise Disclosure Document (FDD) with the Department for review and approval, in accordance  
2 with sections 31111 and 31114. The FIL requires franchisors to disclose certain material information  
3 which is intended to provide prospective franchisees with facts upon which to make an informed  
4 decision to purchase a franchise, as stated in section 31001.

5 B. At all relevant times, GCFS was an Ohio corporation, with a principal place of  
6 business located at 4755 Lake Forest Drive, Suite 100, Ohio 45242. At all relevant times, GCFS  
7 sells franchises that provides business and sales coaching, executive coaching, business  
8 management, and consulting services to business owners, managers and executives, and self-  
9 employed professionals. At all relevant times, GCFS filed for franchise registration with the  
10 Department on April 1, 2015.

11 C. At all relevant times, Bernard “Bernie” Brozek (Brozek) was an individual currently  
12 residing in Austin, Texas. Brozek was a GCFS director from January 2015 to August 2015. On April  
13 25, 2012, Brozek filed for voluntary Chapter 7 personal bankruptcy in the United States Bankruptcy  
14 Court for the Southern District of Ohio, Case Number 1:12-BK-12270, before the Honorable Jeffrey  
15 P. Hopkins. Brozek’s bankruptcy was discharged on July 31, 2012, with a final decree dated August  
16 30, 2012 (BK).

17 D. Under section 31200, it is unlawful for any person willfully to make any untrue  
18 statement of a material fact in any application, notice or report filed with the Commissioner under  
19 the FIL, or willfully omit to state in any such application, notice, or report any material fact which is  
20 required to be stated therein or fail to notify the Commissioner of any material change as required by  
21 section 31123.

22 E. GCFS failed to disclose to the Commissioner Brozek’s personal BK action, discharge  
23 and final decree in Item 4 of GCFS’s FDD in 2015. Bankruptcies of officers or directors are required  
24 to be disclosed in GCFS’s FDD.

25 F. The Commissioner finds that GCFS, in one instance, willfully made an untrue  
26 statement of a material fact in any application, notice or report filed with the Commissioner or  
27 willfully omitted to state in any such application, notice, or report any material fact which is required  
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1 to be stated therein or failed to notify the Commissioner of any material change as required by  
2 section 31123, in violation of section 31200.

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

5 **II.**

6 **TERMS AND CONDITIONS**

7 1. Purpose. This Consent Order resolves the issues before the Commissioner [findings  
8 in paragraphs C through F above] in a manner that avoids the expense of a hearing and other  
9 possible court proceedings, protects consumers, is in the public interest, and is consistent with the  
10 purposes and provisions of the applicable law.

11 2. Desist and Refrain Order. Pursuant to Corporations Code sections 31402 and 31406,  
12 G.C. Franchising Systems, Inc., doing business as The Growth Coach is hereby ordered to desist  
13 and refrain from the violations set forth herein, in violation of Corporations Code section 31200.  
14 The issuance of this order is necessary, in the public interest, for the protection of investors and is  
15 consistent with the purposes, policies, and provisions of the Franchise Investment Law.

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

24 4. Failure to Comply with Consent Order. GCFS agrees that if it fails to comply with  
25 the terms of this Consent Order, the Commissioner may, in addition to all other available remedies  
26 it may invoke under the FIL, summarily suspend/revoke its FIL registration (if applicable),  
27 summarily and permanently bar GCFS from offering and selling franchises in California or deny  
28 FIL applications (if applicable). GCFS waives any notice and hearing rights to contest such

1 summary actions by the Commissioner which may be afforded under the FIL, the APA, the CCP, or  
2 any other provision of law in connection therewith.

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

7 6. Future Actions by Commissioner. If GCFS fails to comply with any terms of the  
8 Consent Order, the Commissioner may institute proceedings for any and all violations otherwise  
9 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions  
10 against GCFS, or any of its partners, owners, officers, shareholders, directors, employees or  
11 successors for any and all unknown violations of the FIL.

12 7. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner’s  
13 ability to assist any other government agency (whether city, county, state, or federal) with any  
14 administrative, civil or criminal action brought by that agency against GCFS or any other person  
15 based upon any of the activities alleged in this matter or otherwise.

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

19 9. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in  
20 interest.

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

3 11. Waiver, Amendments, and Modifications. No waiver, amendment, or modification  
4 of this Consent Order will be valid or binding unless it is in writing and signed by each of the  
5 Parties. The waiver of any provision of this Consent Order will not be deemed a waiver of any  
6 other provision. No waiver by either party of any breach of, or of compliance with, any condition  
7 or provision of this Consent Order by the other party will be considered a waiver of any other  
8 condition or provision or of the same condition or provision at another time.

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

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

19 14. Counterparts. This Consent Order may be executed in one or more separate  
20 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall  
21 together constitute a single document.

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

26 16. Voluntary Order. GCFS enters into this Consent Order voluntarily and without  
27 coercion and acknowledges that no promises, threats or assurances have been made by the  
28 Commissioner or any officer, or agent thereof, about this Consent Order. The parties each represent

1 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and  
2 without any duress or undue influence of any kind from any source.

3 17. Notice. Any notice required under this Consent Order shall be provided to each  
4 party at the following addresses:

5 To GCFS: Jeffrey D. Siehl, Esq.  
6 G.C. Franchise Systems, Inc.  
7 4755 Lake Forest Drive, Suite 100  
8 Cincinnati, Ohio 45242

9 To the Commissioner: Marisa I. Urteaga-Watkins, Esq,  
10 Department of Financial Protection and Innovation  
11 2101 Arena Blvd.  
12 Sacramento, California 95834  
13 marisa.urteaga-watkins@dfpi.ca.gov

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

16 19. Public Record. GCFS hereby acknowledges that this Consent Order is and will be a  
17 matter of public record.

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20. Effective Date. This Consent Order shall become final and effective when signed by all Parties and delivered by the Commissioner’s agent via e-mail to GCFS’s agent, Jeffrey D. Siehl, Esq. at jsiehl@franchisesupport.net

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

Dated: 7/20/2021

CHRISTOPHER SHULTZ  
Acting Commissioner of Financial Protection and Innovation

By: \_\_\_\_\_

JENNIFER RUMBERGER  
Deputy Commissioner

Dated: 7/19/2021

G.C. FRANCHISING SYSTEMS, INC. doing business as THE GROWTH COACH

By: \_\_\_\_\_

JEFFREY D. SIEHL, ESQ.  
Vice President and General Counsel