

1 JENNIFER RUMBERGER
Deputy Commissioner
2 THERESA LEETS
Assistant Chief Counsel
3 Anne Marie Wong
4 Senior Counsel
Department of Financial Protection and Innovation
5 One Sansome Street, Suite 600
San Francisco, CA 94104
6 Telephone: 415-972-8939

7 Attorneys for Complainant

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 THE WEE CHIPPY FRANCHISE SYSTEM,)
16 LLC doing business as THE WEE CHIPPY)
Respondent.)
17)
18)

19 This Consent Order is entered into between the Commissioner of Financial Protection and
20 Innovation (Commissioner), and The Wee Chippy Franchise System, LLC, doing business as The
21 Wee Chippy (TWC) (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.),¹ and registering the offer and sale of franchises
27
28

¹ 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, TWC was and is a Nevada limited liability company, with a
4 principal place of business located at 1301 Ocean Front Walk #9, Venice CA 90291. At all relevant
5 times, TWC sells franchise that operate fish and chips restaurants.

6 C. On October 8 & 9, 2021, TWC attended and offered franchises at The Franchise
7 Show at the Pasadena Convention Center without a valid registration or exemption. Advertising
8 brochures were distributed, but no sales were finalized.

9 D. The Commissioner finds that TWC violated section 31110 by offering unregistered
10 franchises in California.

11 E. The Commissioner finds that TWC violated section 31156 by advertising the
12 franchise without filing a true copy of the advertisement at least three business days prior.

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

15 **II.**

16 **TERMS AND CONDITIONS**

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

21 2. Desist and Refrain Order. Pursuant to Corporations Code sections 31402 and 31406,
22 TWC is hereby ordered to desist and refrain from the violations set forth herein, in violation of
23 Corporations Code sections 31110 and 31156. The issuance of this Consent Order is necessary, in the
24 public interest, for the protection of investors and is consistent with the purposes, policies, and
25 provisions of the Franchise Investment Law.

26 3. Remedial Education. The following class of persons are required to attend remedial
27 California franchise law compliance education: (1) all principal officers, directors, trustees, and
28 any other individual who will have management responsibility relating to the sale or operation of

1 franchises in California, including but not limited to, Joe Gorrie and Joe Pilaro; (2) all persons
2 who assist in preparing franchise materials, including but not limited to registrations, renewals, or
3 amendments (excluding outside lawyers and auditors) in California; (3) any person selling TWC's
4 franchise in California; and (4) the person who certifies the accuracy of TWC's Franchise
5 Disclosure Document filed with the Commissioner. Each of these persons shall attend eight hours
6 of remedial education within 60 days from the Effective Date of this Consent Order, in the form of
7 franchise law training courses offered by a seasoned franchise attorney to be approved by the
8 Department. TWC shall file proof of compliance, in the form of a sworn statement of each person
9 required to take remedial education, under penalty of perjury, within 60 days from the Effective
10 Date of this Consent Order.

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

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

26 6. Information Willfully Withheld or Misrepresented. This Consent Order may be
27 revoked, and the Commissioner may pursue any and all remedies available under law against TWC
28

1 if the Commissioner discovers that TWC knowingly or willfully withheld or misrepresented
2 information used for and relied upon in this Consent Order.

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

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

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

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

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

26 12. Waiver, Amendments, and Modifications. No waiver, amendment, or modification
27 of this Consent Order will be valid or binding unless it is in writing and signed by each of the
28

1 Parties. The waiver of any provision of this Consent Order will not be deemed a waiver of any
2 other provision. No waiver by either Party of any breach of, or of compliance with, any condition
3 or provision of this Consent Order by the other Party will be considered a waiver of any other
4 condition or provision or of the same condition or provision at another time.

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

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

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

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

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

27 18. Notice. Any notice required under this Consent Order shall be provided to each
28 Party at the following addresses:

