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Commissioner
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10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
11 OF THE STATE OF CALIFORNIA

12
13 In the Matter of:) FIL ORG ID: 325672
)
14 THE COMMISSIONER OF FINANCIAL)
PROTECTION AND INNOVATION,) STOP ORDER SUMMARILY REVOKING
15) EFFECTIVENESS OF FRANCHISE
Complainant,) REGISTRATION APPLICATION
16)
) (Corp. Code § 31115)
17 v.)
)
18)
19 HCC FRANCHISE CORPORATION,)
)
20 HCC.)
21)

22 The Commissioner of Financial Protection and Innovation (Commissioner) is responsible
23 for administering and enforcing the Franchise Investment Law (Corporations Code § 31000, *et seq.*)
24 (FIL).

25 1. HCC Franchise Corporation (HCC) is a California corporation with a principal place
26 of business located at 173 Center Street Promenade, Anaheim, CA 92805. HCC sells franchises for
27 the House of Chimney Cakes Bakery serving Hungarian sweet bread. Omar Lara (Lara) is the Chief
28 Executive Officer for HCC.

1 2. On or about April 29, 2021, HCC filed an application for franchise registration. In
2 reviewing the application, the Commissioner found that HCC made an untrue statement of material
3 fact and omitted to disclose material facts in an application filed with the Commissioner, in violation
4 of Corporations Code section 31200.3.

5 3. On or around November 5, 2021, Lara on behalf of HCC entered into a Consent
6 Order with the Commissioner to resolve the issues discovered in review of HCC’s franchise
7 application. As a result of HCC’s compliance with various terms of the Consent Order, the
8 Commissioner ordered HCC’s franchise application effective on December 1, 2021.

9 4. Pursuant to paragraph 3 of the Consent Order, HCC agreed to pay an administrative
10 penalty of \$5,000 to the Commissioner no later than 15 days after the effective date of Consent
11 Order, which was November 20, 2021. HCC further agreed that failure to timely pay the penalty
12 shall be deemed a material breach of the Consent Order.

13 5. Under paragraph 6 of the Consent Order, HCC agreed that if it failed to comply with
14 the terms of the Consent Order, including payment of penalties, the Commissioner may, in addition
15 to all other available remedies, summarily revoke its franchise registration; and, HCC expressly
16 waived any notice and hearing rights to contest such summary actions by the Commissioner.

17 6. On or around January 19, 2022, the Commissioner contacted HCC’s counsel
18 informing that HCC had not timely paid its \$5,000 administrative penalties. HCC counsel sent the
19 Commissioner a copy of an unsigned wire transfer purportedly sent by HCC.

20 7. On or around January 20, 2022, the Commissioner contacted HCC’s counsel and
21 informed that the Commissioner does not accept wire transfers below a certain amount. As a result,
22 the Commissioner rejected HCC’s wire transfer and informed HCC’s counsel that HCC needed to
23 remit payment as outlined in the Consent Order.

24 8. On or around January 28, 2022, the Commissioner sent an email to HCC’s counsel
25 asking for payment status. The Commissioner reminded HCC’s counsel that if HCC did not timely
26 pay its administrative penalties, the Commissioner was authorized to revoke the Order of
27 Effectiveness of Registration issued on December 1, 2021.

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9. On or around March 1, 2022, the Commissioner sent an email to HCC’s counsel stating that HCC must pay its \$5,000 administrative penalty by March 4, 2022, otherwise the Commissioner would summarily revoke its registration under the Consent Order.

10. On or around March 7, 2022, the Commissioner notified HCC’s counsel that HCC still has not paid its \$5,000 administrative penalty and had referred this matter to the Enforcement Division. To date, HCC has not paid the Commissioner the \$5,000 administrative penalty and is in material breach of the parties’ Consent Order.

Based on the terms and conditions of the Consent Order, the Commissioner has determined that a stop order should be issued pursuant to Corporations Code section 31115, subdivisions (a) and (d), revoking the order of effectiveness of the franchise registration application issued on December 1, 2021.

NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the effectiveness of the franchise registration application filed on or around April 29, 2021 by HCC Franchise Corporation is revoked. The issuance of this order is necessary, in the public interest, for the protection of investors and is consistent with the purposes, policies, and provisions of the Franchise Investment Law.

Dated: April 1, 2022

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division