

1 CLOTHILDE V. HEWLETT  
Commissioner  
2 COLLEEN MONAHAN  
3 Acting Deputy Commissioner-Legal Division  
SHOHREH ARAM (State Bar No. 192870)  
4 Senior Counsel  
Department of Financial Protection and Innovation  
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Los Angeles, California 90013  
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7 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
9 OF THE STATE OF CALIFORNIA  
10

11 In the Matter of: )  
12 )  
13 THE COMMISSIONER OF FINANCIAL )  
PROTECTION AND INNOVATION, )  
14 ) CONSENT ORDER  
Complainant, )  
15 v. )  
16 )  
17 CULICHITOWN MANAGEMENT GROUP, )  
INC., doing business as CULICHI TOWN, and )  
18 RAMON MISAEL GUERRERO ELENES, )  
19 Respondents. )

20  
21 This Consent Order is entered into between the Commissioner of Financial Protection and  
22 Innovation (Commissioner) and Culichitown Management Group, Inc., doing business as Culichi  
23 Town and Ramon Misael Guerrero Elenes, in his individual capacity and as owner and president of  
24 Culichitown Management Group, Inc. (Respondents) and is made with respect to the following  
25 facts:

26 **I.**

27 **RECITALS**

28 A. The Commissioner is the head of the Department of Financial Protection and  
Innovation (Department) and is responsible for administering and enforcing the Franchise

1 Investment Law (FIL) (Corp. Code, § 31000 et seq.),<sup>1</sup> and registering the offer and sale of franchises  
2 in California. To register a franchise, a franchisor must file an application that includes a Franchise  
3 Disclosure Document (FDD) with the Department for review, in accordance with sections 31111 and  
4 31114.

5 B. At all relevant times, Culichitown Management Group, Inc., doing business as  
6 Culichi Town was and is a California Corporation with a principal place of business located at 1500  
7 South Milliken Avenue, Unit A, Ontario, California 91761.

8 C. Ramon Misael Guerrero Elenes was the owner and president of Culichitown  
9 Managements Group, Inc. and is authorized to enter into this Consent Order on behalf of  
10 Culichitown Management Group, Inc.

11 D. At all relevant times, Respondents sold franchises involving the operation of a  
12 restaurant serving Mexican food and drinks under the name of Culichi Town Restaurant.

13 E. Pursuant to section 31110, it is unlawful for any person to offer or sell a franchise in  
14 California, unless the offer is registered with the Commissioner or is exempt from registration.

15 F. From at least November 2017 to September 2021, Respondents entered into at least  
16 eleven (11) franchise agreements referred to as “License Agreements” (Agreements) with various  
17 California franchisees for the operation of stores, using a system prescribed by Respondent. During  
18 the relevant time, Respondents were not registered to offer and sell franchises by the Commissioner,  
19 nor were Respondents exempt from registration, in violation of Corporations Code section 31110.

20 G. It is unlawful to sell any franchise without first providing a prospective franchisee  
21 with the FDD at least fourteen (14) days prior to the execution of a franchise agreement or receipt of  
22 consideration. Cal. Corp. Code § 31119.

23 H. From at least November 2017 to September 2021, Respondents failed to provide an  
24 FDD to the eleven (11) franchisees at least fourteen (14) days prior to the execution of the  
25 Agreements or receipt of consideration, in violation of Corporations Code section 31119.

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

1 I. The Commissioner finds that from at least November 2017 to September 2021,  
2 Respondents offered and sold non-exempt, unregistered franchises referred to as license agreements,  
3 to eleven (11) franchisees in California, in violation of Corporations Code section 31110.

4 J. The Commissioner also finds that Respondents failed to provide an FDD to eleven  
5 (11) franchisees at least fourteen (14) days prior to the execution of the Agreements or receipt of  
6 consideration, in violation of Corporations Code section 31119.

7 K. NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions  
8 set forth herein, the Parties agree as follows.

9 **II.**

10 **TERMS AND CONDITIONS**

11 1. Purpose. This Consent Order resolves the issues before the Commissioner,  
12 described in the Recitals above, in a manner that avoids the expense of a hearing and other possible  
13 court proceedings, protects consumers, is in the public interest, and is consistent with the purposes  
14 and provisions of the applicable law.

15 2. Desist and Refrain Order. Pursuant to Corporations Code sections 31402 and 31406,  
16 Culichitown Management Group, Inc. doing business as Culichi Town and Ramon Misael Guerrero  
17 Elenes, jointly and severally are hereby ordered to desist and refrain from the violations set forth  
18 herein, in violation of Corporations Code sections 31110 and 31119. This desist and refrain order is  
19 final and effective from the effective date of this Consent Order, as defined in paragraph 22  
20 (Effective Date). The issuance of this desist and refrain order is necessary, in the public interest, for  
21 the protection of investors and is consistent with the purposes, policies, and provisions of the  
22 Franchise Investment Law.

23 3. Penalties. Culichitown Management Group, Inc., doing business as Culichi Town,  
24 and Ramon Misael Guerrero Elenes, jointly and severally shall pay penalties of \$1,100.00 for the  
25 violations discussed herein. Culichitown Management Group, Inc., doing business as Culichi Town  
26 and Ramon Misael Guerrero Elenes, jointly and severally shall pay the penalties to the  
27 Commissioner within ten (10) calendar days of the Effective Date of this Consent Order in  
28 Paragraph 23 herein (Effective Date) via cashier's check or Automated Clearing House deposit to the

1 Department of Financial Protection and Innovation, **Accounting - Legal**, 2101 Arena Blvd.,  
2 Sacramento, California 95834. Notice of the payment must be concurrently sent via email to  
3 Shohreh Aram, Senior Counsel at Shohreh.Aram@dfpi.ca.gov. Failure to timely pay the Penalties  
4 constitutes a breach of this Consent Order.

5 4. Notice of Violation and Refund of Initial Franchise Fees for All California  
6 Franchises. Culichitown Management Group, Inc., doing business as Culichi Town and Ramon  
7 Misael Guerrero Elenes, jointly and severally agree to file a Notice of Violation pursuant to  
8 Corporations Code section 31303, within twenty (20) calendar days from the Effective Date and  
9 notify each California franchisee listed in **Exhibit A**, to:

- 10 (a) terminate its license agreement entered into with the Respondents, cease operation of  
11 its restaurant as a Culichi Town Restaurant and obtain a full refund all initial fees  
12 (includes all fees paid upfront) paid, or,  
13 (b) terminate its license agreement and enter into a new franchise agreement with  
14 Culichitown Franchise Corporation (attached as Exhibit C to the FDD, filed with the  
15 Department on June 29, 2022) with the following modifications:  
16 (i) pay no initial franchise fees,  
17 (ii) not be required to initiate and/or complete the initial training,  
18 (iii) receive a new 10-year franchise term, extending the existing right beyond the  
19 current term of the license agreement, and  
20 (iv) receive a \$950.00 credit toward royalty payments due under the new franchise  
21 agreement.

22 Upon approval of the Notice, Respondents will serve the Notice on California franchisees  
23 within seven (7) calendar days from the approval of the Notice and will submit proof of the service  
24 via e-mail to Shohreh Aram, Senior Counsel at Shohreh.Aram@dfpi.ca.gov. Failure to timely  
25 provide proof of service constitutes a breach of this Consent Order.

26 California franchisees will have ninety (90) calendar days from the receipt of the Notice to  
27 respond to said Notice. This provision shall apply to all California franchisees who purchased a  
28 Culichi Town franchise regardless of whether they were terminated on or before the Effective Date  
of this Consent Order, including any that are eligible but may have been omitted from **Exhibit A**,  
according to proof.

1           5.       Waiver of Hearing Rights. Respondents acknowledge that the Commissioner is  
2 ready, willing, and able to proceed with the filing of an administrative enforcement action on the  
3 charges contained in this Consent Order. Respondents hereby waive the right to any hearings, and to  
4 any reconsideration, appeal, or other right to review which may be afforded pursuant to the FIL, the  
5 Administrative Procedure Act (APA), the Code of Civil Procedure (CCP), or any other provision of  
6 law. Respondents further expressly waive any requirement for the filing of an accusation pursuant to  
7 Government Code section 11415.60, subdivision (b). By waiving such rights, Respondents  
8 effectively consent to this Consent Order becoming final.

9           6.       Failure to Comply with Consent Order. Respondents agree that if it fails to comply  
10 with the terms of this Consent Order, the Commissioner may, in addition to all other available  
11 remedies it may invoke under the FIL, summarily suspend, or revoke Respondents’ franchise  
12 registration (if applicable) or deny Respondents’ FIL applications (if applicable), until Respondents  
13 are in compliance. Respondents waive any notice and hearing rights to contest such summary  
14 actions by the Commissioner, which may be afforded under the FIL, APA, CCP, or any other  
15 provision of law.

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

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

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

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

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

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

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

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

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

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

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

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

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

19           To Respondents:                   Tanja Hens  
20    Attorney at Law  
21    Davis Wright Tremaine LLP  
22    1300 SW Fifth Avenue, Suite 2400  
23    Portland, Oregon 97201  
24    [Tanjahens@dwt.com](mailto:Tanjahens@dwt.com)

25           To the Commissioner:               Shohreh Aram  
26    Senior Counsel  
27    Department of Financial Protection and Innovation  
28    320 W. 4<sup>th</sup> Street, Suite 750  
  Los Angeles, CA 90013  
  [Shohreh.Aram@dfpi.ca.gov](mailto:Shohreh.Aram@dfpi.ca.gov)

          20.    Signatures. A fax, scanned, or electronic 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 Tanja Hens,  
5 at [Tanjahens@dwt.com](mailto:Tanjahens@dwt.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                               3/09/2023  
10 Dated: \_\_\_\_\_

CLOTHILDE V. HEWLETT  
Commissioner of Department of Financial Protection  
and Innovation

14 By: \_\_\_\_\_  
COLLEEN MONAHAN  
Acting Deputy Commissioner  
Legal Division

17                               03/01/2023  
18 Dated: \_\_\_\_\_

CULICHITOWN MANAGEMENT GROUP, INC.,  
doing business as CULICHI TOWN

22 By: \_\_\_\_\_  
RAMON MISAEL GUERRERO ELENES  
in his individual capacity, and as the Owner and  
24 President of Culichitown Management Group, Inc.