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Commissioner of Financial Protection and Innovation  
2 COLLEEN MONAHAN  
Deputy Commissioner  
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Senior Counsel  
5 Department of Financial Protection and Innovation  
6 2101 Arena Blvd.  
7 Sacramento, California 95834

8 Attorneys for Complainant

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 ) CONSENT ORDER  
14 Complainant, )  
15 v. )  
16 TEAMLOGIC, INC., also known as )  
TEAMLOGIC, )  
17 )  
18 Respondent. )  
)

19 This Consent Order is entered into between the Commissioner of Financial Protection and  
20 Innovation (“Commissioner”) and Teamlogic, Inc. (“Teamlogic”) and together with Commissioner,  
21 (“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  
27 franchises in California. To register a franchise, a franchisor must file an application that includes a  
28

<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, in accordance with  
2 sections 31111 and 31114. The FIL requires franchisors to disclose certain material information that  
3 is intended to provide prospective franchisees with facts upon which to make an informed decision  
4 to purchase a franchise, as stated in section 31001.

5 B. At all relevant times, Teamlogic was and is a California corporation with a principal  
6 place of business located at 26722 Plaza, Mission Viejo, California 92691. At all relevant times,  
7 Teamlogic offers and sells computer consultation, maintenance and service franchises to California  
8 investors. Teamlogic was and is registered to offer and sell franchises in California by the  
9 Department during various times from 2014 to present. Teamlogic filed application number 27080  
10 on March 29, 2023 with the Department (2023 Application). The 2023 Application is pending with  
11 the Department.

12 C. Pursuant to section 31210, it is unlawful for anyone to effect or attempt to effect a  
13 sale of a franchise in California, except in transactions exempted under Chapter 1 of Part 2  
14 (commencing with section 31100) of the FIL unless such person is: (1) identified in an application or  
15 amended application filed with the commissioner pursuant to Part 2 (commencing with section  
16 31100) of the FIL, (2) licensed by the Bureau of Real Estate as a real estate broker or real  
17 estate salesperson, or (3) licensed by the commissioner as a broker-dealer or agent pursuant to the  
18 Corporate Securities Law of 1968. In addition, Item 23 of the Federal Trade Commission Franchise  
19 Rule requires franchisors to disclose the name and contact information of each specific seller  
20 offering the franchise. (16 CFR §436.5).

21 D. On or about March 29, 2023, Teamlogic filed the 2023 Application with the  
22 Department. In the FDD of the 2023 Application, Teamlogic included a receipt page which listed at  
23 least four (4) franchise brokerage firms with blank spaces where the individual seller’s name was to  
24 be filled in. Teamlogic also included in the 2023 Application a combined Franchise Seller  
25 Disclosure Form for at least twenty three (23) individuals who are employed by Teamlogic. In or  
26 about April 2023, the Department notified Teamlogic that no Franchise Seller Disclosure Forms  
27 were provided for any individual franchise brokers who work for any of the franchise brokerage  
28 firms listed on the receipt page submitted by Teamlogic, in violation of section 31210. The

1 Department then requested a list from Teamlogic of any individual franchise brokers that offered and  
2 sold franchises and the dates of the sales in California in the last five years of the 2023 Application.  
3 Teamlogic represented to the Department that it did not work with individual brokers but rather with  
4 brokerage firms. On or about April 27, 2023, the Department notified Teamlogic that the FIL  
5 requires that individual franchise brokers must provide individual franchise seller disclosure form to  
6 the Department.

7 E. From May 2023 to September 2023, Teamlogic provided documents to the  
8 Department showing the following sales conducted by franchise brokers: Franchise broker TW  
9 December 18, 2017; Franchise broker AL December 21, 2018; Franchise broker RB December 14,  
10 2022; and Franchise broker SG February 7, 2023.

11 F. The Department finds that Teamlogic offered and sold franchises with franchise  
12 brokers in violation of section 31210 on four (4) occasions. The Department also finds that  
13 Teamlogic does not qualify for any exemption listed under Chapter 1 of Part 2 of the FIL.

14 G. NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions  
15 set 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,  
19 described in the Recitals above, in a manner that avoids the expense of a hearing and other possible  
20 court proceedings, protects consumers, is in the public interest, and is consistent with the purposes  
21 and provisions of the applicable law.

22 2. Desist and Refrain Order. Pursuant to section 31406, Teamlogic, Inc., also known as  
23 Teamlogic, is hereby ordered to desist and refrain from the violations set forth herein, in violation  
24 of Corporations Code section 31210 and from any violations of the Franchise Investment Law. The  
25 issuance of this order is necessary, in the public interest, for the protection of investors, and is  
26 consistent with the purposes, policies, and provisions of the Franchise Investment Law.

27 3. Penalties. Teamlogic, Inc., shall pay an administrative penalty of \$8,000  
28 (“Penalties”) no later than fifteen (15) days after the Effective Date of this Consent Order as defined

1 in paragraph 21 (“Effective Date”). The Penalties must be made payable in the form of a cashier’s  
2 check or Automated Clearing House deposit to the Department and transmitted to the attention of  
3 Accounting-Legal at the Department of Financial Protection and Innovation, 2101 Arena Boulevard,  
4 Sacramento, California 95834. Notice of the payment must be concurrently sent via email to  
5 marisa.urteaga-watkins@dfpi.ca.gov. Failure to pay Penalties in a timely manner shall be deemed to  
6 be a material breach of this Consent Order.

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

15 5. Failure to Comply with Consent Order. Teamlogic agrees that if it fails to comply  
16 with the Desist and Refrain Order in this Consent Order, or fails to timely cure any breach to the  
17 satisfaction of the Commissioner, the Commissioner may, in addition to all other available remedies  
18 it may invoke under the FIL, summarily suspend, revoke, or deny its FIL registration (if applicable).  
19 Teamlogic stipulates to the finality of any such FIL registration suspensions, revocations, or denials  
20 that the Commissioner may order. Teamlogic waives any notice and hearing rights to contest such  
21 summary suspensions, revocations, or denials which may be afforded under the FIL, the California  
22 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law  
23 in connection therewith.

24 6. Information Willfully Withheld or Misrepresented. This Consent Order may be  
25 revoked, and the Commissioner may pursue any and all remedies available under law against  
26 Teamlogic, if the Commissioner discovers that Teamlogic knowingly or willfully withheld or  
27 misrepresented information used for and relied upon in this Consent Order.  
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1           7.       Future Actions by Commissioner. If Teamlogic fails to comply with any terms of the  
2 Consent Order, the Commissioner may institute proceedings for any and all violations otherwise  
3 resolved by this Consent Order. The Commissioner reserves the right to bring any future actions  
4 against Teamlogic, or any of its partners, owners, officers, shareholders, directors, employees, or  
5 successors for any and all unknown violations of the FIL or any other law under the Commissioner’s  
6 jurisdiction.

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

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

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

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

25           12.      Waiver, Amendments, and Modifications. No waiver, amendment, or modification  
26 of this Consent Order will be valid or binding unless it is in writing and signed by each of the  
27 Parties. The waiver of any provision of this Consent Order will not be deemed a waiver of any  
28 other provision. No waiver by either Party of any breach of, or of compliance with, any condition

1 or provision of this Consent Order by the other Party will be considered a waiver of any other  
2 condition or provision or of the same condition or provision at another time.

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

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

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

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

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

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

27 To Teamlogic: Janet Martin, Esq.  
28 Business and Franchise Law  
25108 Marguerite Pkwy, #A334  
Mission Viejo, CA 92692

Janet@janetmartinlaw.com

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

19. Signatures. A fax, scanned, or electronic signature shall be deemed the same as an original signature.

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

21. 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 Teamlogic’s agent, Janet Martin, Esq. at Janet@janetmartinlaw.com.

22. 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: 1/11/2024

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection  
and Innovation

By: \_\_\_\_\_  
COLLEEN MONAHAN  
Deputy Commissioner

Dated: 1/11/2024

TEAMLOGIC, INC., also known as TEAMLOGIC

By: \_\_\_\_\_  
RICHARD LOWE  
President and Chief Operating Officer  
Franchise Services Inc. (parent company)