

1 CLOTHILDE V. HEWLETT
Commissioner
2 MARY ANN SMITH
Deputy Commissioner
3 AMY J. WINN
Assistant Chief Counsel
4 DANIEL DUBOIS (State Bar No. 345123)
Senior Counsel
5 Department of Financial Protection and Innovation
6 1455 Frazee Road
7 San Diego, California 92108
8 Telephone: (619) 568-0222
9 Facsimile: (916) 928-7929
10 Attorneys for Complainant

11 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
12 OF THE STATE OF CALIFORNIA

13 In the Matter of:) FIL ORG ID: 346859
)
14 THE COMMISSIONER OF FINANCIAL)
PROTECTION AND INNOVATION,) CONSENT ORDER
15)
16 Complainant,)
)
17 v.)
)
18 TWO HANDS AMERICA, INC. and)
19 DONHUN YOO a/k/a PAUL YOO as an)
individual,)
20)
21 Respondents.)

22
23 Complainant, the Commissioner of Financial Protection and Innovation (Commissioner) as
24 head of the Department of Financial Protection and Innovation (Department), and Respondents Two
25 Hands America, Inc. and Donhun Yoo a/k/a Paul Yoo (Respondents), enter this Consent Order with
26 respect to the following:

27 I.

28 Recitals

A. The Commissioner is authorized to administer and enforce the provisions of the

1 Franchise Investment Law (Corp. Code § 31000 *et seq.*) (FIL) and the rules and regulations
2 promulgated thereunder which control the registration, offer, and sale of franchises in California.

3 B. The Commissioner brings this action pursuant to the provisions of the FIL, and the
4 rules and regulations promulgated thereunder, including Corporations Code sections 31406.

5 C. Respondents admit to the jurisdiction of the Commissioner in this matter and for the
6 purposes of using and enforcing this Consent Order.

7 D. Two Hands America, Inc. was a California corporation formed in 2019 with a
8 registered address of 500 Lakewood Boulevard, #205, Lakewood, California 90712. In 2022, Two
9 Hands America, Inc. converted to a Georgia corporation with a registered address of 3483 Satellite
10 Boulevard, Duluth, Georgia 30096

11 E. Mr. Yoo has served as the CEO and Director of Two Hand’s America, Inc. since it
12 was founded.

13 F. Under Corporations code 31123 a franchisor shall promptly notify the commissioner in
14 writing, by an application to amend the registration, of any material change in the information
15 contained in the application as originally submitted, amended or renewed.

16 G. On October 9, 2020, 2LB Brothers, Inc. brought the civil action 2LB Brothers, Inc. v.
17 Link International, LLC, et al. Case No. 37-2020-00036268-CU-BC-CTL, in the Superior Court of
18 California, San Diego County. Amongst other allegations, this lawsuit alleged violations of the FIL. At
19 the time, Mr. Yoo was the CEO and sole member of Link International, LLC and he was named as a
20 defendant.

21 H. Respondents failed to promptly notify the commissioner that Mr. Yoo was the
22 defendant in a lawsuit. Respondents failed to notify the commissioner of the October 9, 2020, lawsuit,
23 a material change, until March 29, 2021.

24 I. Under Corporations Code section 31201 it is unlawful for any person to offer or sell a
25 franchise in this state by means of any written or oral communication not enumerated in section 31200
26 which includes an untrue statement of a material fact or omits to state a material fact necessary in
27 order to make the statements made, in the light of the circumstances under which they were made, not
28 misleading.

1 J. Corporations Code section 31119 requires franchisors to provide prospective
2 franchisees with a franchise disclosure document at least 14 days prior to the execution of the
3 franchise agreement or receipt of consideration.

4 K. The franchise disclosure document (FDD) must comply with the Uniform Franchise
5 Disclosure Document Guidelines, as adopted by the North American Securities Administrators
6 Association, Inc. on June 22, 2007, and effective July 1, 2007 (See Corp. Code, § 31114 and Cal.
7 Code Regs., tit. 10, § 310.111, subd. [b]) (hereinafter, FDD Guidelines) and the amended Franchise
8 Rule, 16 C.F.R. 436. Under the FDD Guidelines and the amended Franchise Rule, franchisors must
9 disclose certain material information in the FDD filed with the Department, including, but not limited
10 to whether the franchisor, their predecessor, parent, affiliate(s), or any person identified in Item 2 of
11 the FDD: 1) has any pending administrative, criminal, or material civil action(s) alleging violation of a
12 franchise, antitrust, or securities law, or alleging fraud, unfair or deceptive practices, or comparable
13 allegations; 2) was a party to any material civil action involving the franchise relationship in the last
14 fiscal year; or 3) in the 10-year period immediately before the disclosure document's issuance date
15 was held liable in a civil action involving an alleged violation of a franchise, antitrust, or securities
16 law, or alleging fraud, unfair or deceptive practices, or comparable allegations.

17 L. From October 2020 to March 2021, Two Hands sold franchises in California. The
18 FDDs provided to these California franchisees failed to disclose the pending civil action referenced in
19 paragraph G above.

20 M. Based upon the foregoing, the Commissioner finds that Two Hands made material
21 omissions to California franchisees in violation of Corporations Code section 31201 as none of the
22 franchisees received information about the pending civil action Two Hands was required to disclose.

23 N. The Department informed Two Hands of its intent to order Two Hands to: (1) desist
24 and refrain from failing to promptly notify the commissioner of any material change to the information
25 submitted in the registration and renewal process and to desist and refrain from making
26 misrepresentations about or omitting material facts in FDD's provided to California franchisees; and
27 (2) pay administrative penalty for violations of the FIL.

28 O. Two Hands indicated their intent to cooperate fully with the Department to remedy the

1 past violations indicated herein and consent to the entry of this Consent Order.

2 P. It is the intention and desire of the parties to resolve this matter without the necessity of
3 a hearing and/or litigation.

4 Q. The Commissioner finds that this Consent Order is appropriate, in the public interest,
5 and consistent with the purposes fairly intended by the policy and provisions of the FIL.

6 R. NOW, THEREFORE, in consideration of the foregoing and the terms and conditions
7 set forth herein, the parties agree as follows.

8 **II.**

9 **Terms**

10 1. Purpose. This Consent Order resolves the issues before the Commissioner set forth in
11 paragraphs A through L above, in a manner that avoids the expense of a hearing and other possible
12 court proceedings, protects consumers, is in the public interest, and is consistent with the purposes and
13 provisions of the FIL.

14 2. Finality of Consent Order. Respondents hereby agree to comply with this Consent
15 Order and, further, stipulates that this Consent Order is hereby deemed a final and enforceable order.

16 3. Desist and Refrain Order for Violation of Corp. Code, § 31123. Pursuant to
17 Corporations Code section 31406, the Commissioner hereby issues a citation to Respondents for the
18 violation of Corporations Code section 31201. Respondents are hereby ordered to desist and refrain
19 from the further violations of Corporations Code section 31123 by failing to promptly notify the
20 commissioner in writing, by an application to amend the registration, of any material change in the
21 information contained in the application as originally submitted, amended, or renewed.

22 4. Desist and Refrain Order for Violation of Corp. Code, § 31201. Pursuant to
23 Corporations Code section 31406, the Commissioner hereby issues a citation to Respondents for the
24 violation of Corporations Code section 31201. Respondents are hereby ordered to desist and refrain
25 from the further sale of franchises in this state that are subject to registration under the FIL in violation
26 of Corporations Code section 31201 by means of any written or oral communication not enumerated
27 in Section 31200 which includes an untrue statement of a material fact or omits to state a material fact
28 necessary in order to make the statements made, in the light of the circumstances under which they

1 were made, not misleading.

2 5. Penalties. Respondents agree to pay administrative penalties in the total amount of
3 \$5,000.00. Such payment shall be made within ten (10) business days of the effective date of this
4 Consent Order, as such date is defined in Paragraph 23 (Effective Date), made payable in the form of a
5 cashier's check or Automated Clearing House deposit to the "Department of Financial Protection and
6 Innovation," and transmitted to the attention of Accounting- Litigation, Department of Financial
7 Protection and Innovation, 2101 Arena Blvd., Sacramento, California 95834. Notice of all payments
8 shall be sent to Daniel DuBois, Senior Counsel, at Daniel.DuBois@dfpi.ca.gov. In the event any
9 payment due date falls on a weekend or holiday, the payment shall be due the next business day.

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

18 7. Failure to Comply with Consent Order. Respondents agree that if they fail to comply
19 with the terms of this Consent Order, the Commissioner may, in addition to all other available
20 remedies it may invoke under the FIL, summarily issue a stop order denying the effectiveness of or
21 suspending or revoking effectiveness of any of Respondents, or any of its affiliates, franchise
22 registrations until Respondents gains compliance. Respondents waives any notice and hearing rights to
23 contest such summary suspensions which may be afforded under the FIL, the California
24 Administrative Procedure act, the California Code of Civil Procedure, or any other provision of law in
25 connection therewith.

26 8. 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
28 Respondents if the Commissioner discovers that Respondents knowingly or willfully withheld or

1 misrepresented material information related to this Consent Order.

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

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

11 11. 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 12. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
15 interest.

16 13. Reliance. Each of the parties represents, warrants, and agrees that in executing this
17 Agreement it has relied solely on the statements set forth herein and the advice of its own counsel.
18 Each of the parties further represents, warrants, and agrees that in executing this Agreement and
19 except as stated in paragraph 8 above, it has placed no reliance on any statement, representation, or
20 promise of any other party, or any other person or entity not expressly set forth herein, or upon the
21 failure of any party or any other person or entity to make any statement, representation, or disclosure
22 of anything whatsoever. The parties have included this clause: (1) to preclude any claim that any party
23 was in any way fraudulently induced to execute this Agreement; and (2) to preclude the introduction
24 of parol evidence to vary, interpret, supplement, or contradict the terms of this Agreement.

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

1 Agreement by the other party will be considered a waiver of any other condition or provision or of the
2 same condition or provision at another time.

3 15. 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 convents
5 between the parties with respect to the subject matter hereof, and supersedes all prior or
6 contemporaneous agreements, negotiations, representations, understandings, and discussions between
7 and among the parties, their respective representatives, and any other person or entity, with respect to
8 the subject matter covered hereby.

9 16. Governing Law. This Consent Order will be governed by and construed in accordance
10 with California law. Each of the parties hereto consents to the jurisdiction of the Superior Court of
11 California for the County of Sacramento, and hereby irrevocably waives, to the fullest extent permitted
12 by law, the defense of an inconvenient forum to the maintenance of an action or proceeding in such
13 court relating to this Consent Order.

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

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

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

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

28 If to Respondents, to: Helena Kim, Esq.
Law Offices of Yohan Lee

5681 Beach Boulevard, Suite 200
Buena Park, California 90621
hkim@yleelaw.com

If to the Commissioner, to: Daniel DuBois, Senior Counsel
Department of Financial Protection and Innovation
1455 Frazee Road
San Diego, CA 92108
Daniel.DuBois@dfpi.ca.gov.

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

22. Public Record. Respondents hereby acknowledge that this Consent Order is and will be a matter of public record.

23. 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 Respondents at hkim@yleelaw.com.

24. 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.

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IN WITNESS WHEREOF, the parties hereto have approved and executed the Consent Order on the dates set forth opposite their respective signatures.

CHCLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation

Dated: May 6, 2024

By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

TWO HANDS AMERICA, INC.

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Dated: May 3, 2024

By: _____
DONHUN YOO
CEO
DONHUN YOO

Dated: May 3, 2024

By: _____
DONHUN YOO
Individually

APPROVED AS TO FORM AND CONTENT

Dated: May 3, 2024

By: _____
HELENA KIM
Law Offices of Yohan Lee

