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

12 In the Matter of:) FIL ORG ID: 394089
13 THE COMMISSIONER OF FINANCIAL) CONSENT ORDER
14 PROTECTION AND INNOVATION,)
15 Complainant,)
16 v.)
17 SHREE VARI HOLDINGS LLC f.k.a.)
18 ANJAPPAR CHETTINAD LLC,)
19 Respondent.)
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25 The Commissioner of Financial Protection and Innovation (Commissioner) as head of the
26 Department of Financial Protection and Innovation (Department), and Shree Vari Holdings LLC
27 f.k.a. Anjappar Chettinad LLC (Respondent) (collectively, the parties), enter into this Consent Order
28 with respect to the following:

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I.

RECITALS

A. The Commissioner is authorized to administer and enforce the provisions of the Franchise Investment Law (Cal. Corp. Code §§ 31000 – 31516) (FIL) and the rules and regulations promulgated thereunder which control the registration, offer and sale of franchises in California.

B. The Commissioner brings this action pursuant to the provisions of the FIL, and the rules and regulations promulgated thereunder, including California Corporations Code sections 31402, 31406, and 31408.

C. Pursuant to California Corporations Code sections 31111, 31112, and 31114 of the FIL, an application for registration of an offer of a franchise shall be accompanied by a Uniform Franchise Disclosure Document (FDD) that contains the material information set forth in the application for registration and shall be filed with the Commissioner.

D. As stated in California Corporations Code section 31001, it is the intent of the FIL to provide each prospective franchisee with the information necessary to make an intelligent decision regarding the franchise being offered.

E. At all relevant times, Anjappar Chettinad LLC (Anjappar Chettinad) is a Delaware limited liability company formed on or around August 27, 2013, with a principal place of business at 5550 Granite Parkway, Suite 195, Plano, Texas 75024. Anjappar Chettinad operated a franchise system offering a dine-in and take-out restaurant featuring Indian cuisine with special emphasis on the cuisine in the Chettinad region of India, unique food service and other products and beverages under the name, “Anjappar.” Anjappar Chettinad operated the website, www.anjappar.com.

F. On or around October 10, 2022, Anjappar Chettinad entered into an Anjappar Intercompany License Agreement with Shree Vari Holdings LLC (Shree Vari Holdings), a Texas limited liability company, granting Shree Vari Holdings a license to use the principal mark, “Anjappar,” and to grant franchisees the right to use the mark. Anjappar Chettinad is the predecessor of Shree Vari Holdings, whose principal place of business is located at 5550 Granite Parkway, Suite 195, Plano, Texas 75024.

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1 G. On or around April 27, 2023, Shree Vari Holdings filed an initial franchise
2 registration application and franchise disclosure document (FDD) with the Commissioner pursuant
3 to Corporations Code section 31111 (Initial Application). The FDD discloses that entering into
4 franchise agreement grants the franchisee the right to “operate Anjappar Chettinad Restaurant
5 (‘Restaurant’) using our proprietary business format and system (‘System’) and intellectual
6 property.”

7 H. The Department’s review of the Initial Application disclosed that in or around 2017
8 and 2018 Anjappar Chettinad offered and sold an Anjappar Chettinad Restaurant franchise to at
9 least two California entities (Franchisees) as described below:

10 1. In or around 2017 Anjappar Chettinad entered into an oral agreement with
11 Annam LLC (Annam) granting Annam the right to open an Anjappar Chettinad Restaurant in
12 Artesia, California, and use the Anjappar Chettinad system and trademark. Annam began paying a
13 franchise fee to Anjappar Chettinad beginning in or around 2018.

14 2. On or around January 1, 2018, Anjappar Chettinad entered into an Anjappar
15 Chettinad Franchise Agreement (Agreement) with Curcuma Holdings LLC (Curcuma Holdings)
16 granting Curcuma Holdings the right to open an Anjappar Chettinad Restaurant in Tustin,
17 California. The Agreement granted Curcuma Holdings “the right and license to establish and
18 operate a retail Restaurant identified by the Anjappar Chettinad Trademarks” The Agreement
19 further required Curcuma Holdings to “implement and abide by our requirements and
20 recommendations directed to enhancing substantial System uniformity” Curcuma Holdings
21 began paying a franchise fee to Anjappar Chettinad beginning in or around 2019.

22 I. Anjappar Chettinad’s oral agreement with Annam and written agreement with
23 Curcuma Holdings granted Annam and Curcuma Holdings the right to engage in the business of
24 offering, selling or distributing the goods or services, specifically “Indian cuisine (with special
25 emphasis on the cuisine in the Chettinad region of India), unique food service and other products,
26 beverages and services using certain standards and specifications.” Furthermore, the right to
27 engage in business granted to Annam and Curcuma was under a marketing plan or system
28 prescribed in substantial part by Anjappar Chettinad. Lastly, the businesses were substantially

1 associated with the Anjappar trademark. Both Annam and Curcuma Holdings were required to pay
2 a franchise fee to Anjappar Chettinad.

3 J. The Commissioner finds that both the oral and written agreement entered into by
4 Anjappar Chettinad with Annam and Curcuma Holdings, respectively, contained an offer of a
5 franchise within the meaning of California Corporations Code section 31005.

6 K. The franchises offered and sold by Anjappar Chettinad were not registered with the
7 Department or exempt, in violation of California Corporations Code section 31110.

8 L. Anjappar Chettinad did not first provide a copy of an FDD to either Annam or
9 Curcuma Holdings at least 14 days prior to the execution of any binding franchise or other
10 agreement, or prior to the receipt of any consideration, whichever occurs first, in violation of
11 California Corporations Code section 31119(a).

12 M. Anjappar Chettinad did not at all times keep and maintain a complete set of books,
13 records, and accounts of its offer and sale to Annam and Curcuma Holdings, in violation of
14 California Corporations Code section 31150.

15 N. As of the date of this Consent Order, the Initial Application is pending before the
16 Department and the offer and sale of Anjappar Chettinad Restaurant franchises is not yet registered.

17 O. Respondent Shree Vari Holdings, formerly known as Anjappar Chettinad, indicated
18 its intent to cooperate fully with the Department to remedy the past violations indicated herein and
19 consent to the entry of this Consent Order.

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

22 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
23 forth herein, the parties agree as follows:

24 **II.**

25 **TERMS AND CONDITIONS**

26 1. Purpose. This Consent Order resolves the issues before the Commissioner set forth in
27 Paragraphs A through P above in a manner that avoids the expense of a hearing and other possible
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1 court proceedings, protects consumers, is in the public interest, and is consistent with the purposes,
2 policies, and provisions of the FIL.

3 2. Finality of Consent Order. Respondent hereby agrees to comply with this Consent
4 Order and stipulates that this Consent Order is hereby deemed a final and enforceable order.

5 3. Citation and Desist and Refrain Order. Pursuant to California Corporations Code
6 sections 31402 and 31406, Respondent is hereby ordered to desist and refrain from violating
7 California Corporations Code sections 31110, 31119, and 31150.

8 4. Penalty. Pursuant to California Corporations Code section 31406(a), Respondent
9 shall pay a penalty in the amount of \$15,000.00 for the violations found by the Commissioner in
10 Paragraphs A through P above by no later than 30 days after the Effective Date of this Consent
11 Order as defined in Paragraph 24 below. The penalty shall be made payable in the form of a
12 cashier's check or Automated Clearing House deposit to the Department of Financial Protection and
13 Innovation and transmitted to the attention of Accounting – Litigation, at the Department of
14 Financial Protection and Innovation, 2101 Arena Boulevard, Sacramento, California 95814-2306.
15 Notice of the payment must be concurrently sent to Sophia C. Kim via e-mail at:
16 Sophia.Kim@dfpi.ca.gov.

17 5. Waiver of Hearing Rights. Respondent acknowledges that the Commissioner is
18 ready, willing, and able to proceed with the filing of an administrative enforcement action on the
19 charges contained in this Consent Order. Respondent hereby waives the right to any hearings, and to
20 any reconsiderations, appeal, or other right to review which may be afforded pursuant to the FIL, the
21 California Administrative Procedure Act, the California Code of Civil Procedure, or any other
22 provision of law. Respondent further expressly waives any requirement for the filing of a Citation
23 and Desist and Refrain Order pursuant to Government Code section 11415.60, subdivision (b). By
24 waiving such rights, Respondent effectively consents to this Consent Order, Citation, and Desist and
25 Refrain Order becoming final.

26 6. Failure to Comply with Consent Order. Respondent agrees that if it fails to comply
27 with the terms of this Consent Order, the Commissioner may, in addition to all other available
28 remedies she may invoke under the FIL, deny any application and/or summarily suspend or revoke

1 any license granted by the Commissioner to Respondent until Respondent is in compliance.
2 Respondent waives any notice and hearing rights to contest such denial or summary suspension or
3 revocation which may be afforded under the FIL, the California Administrative Procedure Act, the
4 California Code of Civil Procedure, or any other provision of law in connection therewith.

5 7. Information Willfully Withheld or Misrepresented. This Consent Order may be
6 revoked and the Commissioner may pursue any and all remedies available under law against
7 Respondent if the Commissioner discovers that Respondent knowingly or willfully withheld or
8 misrepresented information used for and relied upon in this Consent Order.

9 8. Future Actions by Commissioner. If Respondent fails to comply with any terms of
10 the Consent Order, the Commissioner may institute proceedings for any and all violations otherwise
11 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions
12 against Respondent, or any of their partners, owners, officers, shareholders, directors, employees or
13 successors for any and all unknown violations of the FIL and Corporations Code.

14 9. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner's
15 ability to assist any other government agency (city, county, state, or federal) with any prosecution,
16 administrative, civil or criminal brought by that agency against Respondent or any other person
17 based upon any of the activities alleged in this matter or otherwise.

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

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

23 12. Reliance. Each of the parties represents, warrants, and agrees that in executing this
24 Consent Order it has relied solely on the statements set forth herein and the advice of its own
25 counsel. Each of the parties further represents, warrants, and agrees that in executing this Consent
26 Order it has placed no reliance on any statement, representation, or promise of any other party, or
27 any other person or entity not expressly set forth herein, or upon the failure of any party or any other
28 person or entity to make any statement, representation or disclosure of anything whatsoever. The

1 parties have included this clause: (1) to preclude any claim that any party was in any way
2 fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of parol
3 evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

4 13. No Presumption Against Drafting Party. Each party acknowledges that it has had the
5 opportunity to draft, review, and edit the language of this Consent Order. Accordingly, the parties
6 intend that no presumption for or against the drafting party will apply in construing any part of this
7 Consent Order. The parties waive the benefit of Civil Code section 1654 as amended or
8 corresponding provisions of any successor statute, which provide that in cases of uncertainty,
9 language of a contract should be interpreted most strongly against the party that caused the
10 uncertainty to exist.

11 14. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
12 has received independent advice from its attorney(s) and/or representatives with respect to the
13 advisability of executing this Consent Order.

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

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

26 17. Governing Law. This Consent Order shall be construed and enforced in accordance
27 with and governed by California law. Each of the parties hereto consents to the jurisdiction of such
28 court in California, administrative or otherwise, best suited to handle any action or proceeding under

1 this Consent Order, and hereby irrevocably waives, to the fullest extent permitted by law, the
2 defense of an inconvenient forum to the maintenance of such action or proceeding in such court.

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

6 19. Effect Upon Future Proceedings. If Respondent applies for any license, permit or
7 qualification under the Commissioner's current or future jurisdiction, or is the subject of any future
8 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be
9 admitted for the purpose of such application(s) or enforcement proceeding(s).

10 20. Voluntary Agreement. Respondent enters into this Consent Order voluntarily and
11 without coercion and acknowledge that no promises, threats or assurances have been made by the
12 Commissioner or any officer, or agent thereof, about this Consent Order. The parties each represent
13 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and
14 without any duress or undue influence of any kind from any source.

15 21. Notice. Any notice required under this Consent Order shall be provided to each party
16 at the following addresses:

17 To Respondent:

18 Nirali Patel, Canada Lewis & Associates, PLLC, 5550 Granite Pkwy., Suite 195,
19 Plano, Texas 75024; npatel@CanadaLewis.com.

20 To the Commissioner:

21 Sophia C. Kim, Senior Counsel, Enforcement Division, Department of Financial
22 Protection and Innovation, 320 West 4th Street, Suite 750, Los Angeles, California
23 90013; Sophia.Kim@dfpi.ca.gov.

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

26 23. Public Record. Respondent hereby acknowledges that this Consent Order is and will
27 be a matter of public record.

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1 24. Effective Date. This Consent Order shall become final and effective when signed by
2 all parties and delivered by the Commissioner's counsel via e-mail to Respondent at
3 npatel@CanadaLewis.com.

4 25. Authority to Sign. Each signatory hereto covenants that he/she possesses all
5 necessary capacity and authority to sign and enter into this Consent Order and undertake the
6 obligations set forth herein.

8 Dated: August 8, 2024

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation

10 By _____
11 MARY ANN SMITH
12 Deputy Commissioner
13 Enforcement Division

14 Dated: July 7, 2024

SHREE VARI HOLDINGS LLC f.k.a. ANJAPPAR
CHETTINAD LLC

16 By _____
17 MARUDHUPANDIAN ANJAPPAN
18 Owner and Director of Shree Vari Holdings LLC f.k.a.
19 Anjappar Chettinad LLC
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