

1 CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation
2 COLLEEN MONAHAN
Deputy Commissioner
3 THERESA LEETS
Assistant Chief Counsel
4 MARISA I. URTEAGA-WATKINS (State Bar No. 236398)
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
Complainant,)
14 v.)
)
15 ANGEL SPA FRANCHISE, INC., DOING)
16 BUSINESS AS ANGEL SPA,)
)
17 Respondent.)
18)

19 This Consent Order is entered into between the Commissioner of Financial Protection and
20 Innovation (Commissioner) and Angel Spa Franchise, Inc., doing business as Angel Spa (Angel
21 Spa) and together with Commissioner, (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.),¹ and registering the offer and sale of franchises
27 in California. To register a franchise, a franchisor must file an application that includes a Franchise
28

¹ All further statutory references are to the Corporations Code unless otherwise indicated.

1 Disclosure Document (FDD) with the Department for review, in accordance with sections 31111 and
2 31114. The FIL requires franchisors to disclose certain material information that is intended to
3 provide prospective franchisees with facts upon which to make an informed decision to purchase a
4 franchise, as stated in section 31001.

5 B. At all relevant times, Angel Spa Franchise, Inc., also known as Angel Spa, a
6 California corporation located at 12860 Beach Blvd., Suite J, Stanton, CA 90680. At all relevant
7 times, Angel Spa offers spa services franchises to California investors.

8 C. Pursuant to section 31119, it is unlawful to sell any franchise without first providing a
9 prospective franchisee with the FDD at least fourteen (14) days prior to the execution of a franchise
10 agreement or receipt of consideration.

11 1. In or about July 2023 and August 2023, Angel Spa sold at least one (1) Angel
12 Spa franchise to franchisee KH. However, Angel Spa did not provide an Angel Spa FDD to franchisee
13 KH at least fourteen (14) days prior to the execution of a franchise agreement referred to as “Angel
14 Spa Sale Agreement,” “Agreement” or otherwise.

15 D. Pursuant to section 31150, the franchisor offering franchises for sale in California
16 shall, always, keep and maintain a complete set of books, records, and accounts of such sales.

17 1. In or about July 2023 and August 2023, Angel Spa sold at least one (1) Angel
18 Spa franchise to franchisee KH. The Department issued a request for documents and information to
19 Angel Spa in or about May 2024. The Department made the following request: “A copy of any and
20 all FDD receipts issued by YOU and executed by prospective and/or actual franchisees.” However,
21 Angel Spa did not produce any FDD receipts executed by franchisees, franchisee KH, or otherwise.
22 Therefore, Angel Spa failed to maintain a complete set of books, records, and accounts of the
23 franchise sale to franchisee KH.

24 E. The Commissioner hereby finds as follows:

25 1. Angel Spa engaged in the sale of an Angel Spa franchise without first
26 providing prospective franchisee KH with the FDD at least fourteen (14) days prior to the execution
27 of a franchise agreement or receipt of consideration, pursuant to section 31119; and

28 2. Angel Spa failed to maintain a complete set of books, records, and accounts of

1 the franchise sale to franchisee KH, pursuant to section 31150.

2 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
3 forth herein, the Parties agree as follows:

4 **II.**

5 **TERMS AND CONDITIONS**

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

10 2. **Desist and Refrain Order.** Pursuant to Corporations Code section 31406, Angel Spa
11 Franchise, Inc., doing business as Angel Spa, shall desist and refrain from violating Corporations
12 Code sections 31119 and 31150 set forth herein, and from any violations of the FIL. The issuance
13 of this order is necessary, in the public interest, for the protection of investors, and is consistent
14 with the purposes, policies, and provisions of the FIL.

15 3. **Penalties.** Angel Spa Franchise, Inc., doing business as Angel Spa, shall pay an
16 administrative penalty of five thousand dollars (\$5,000) for at least two (2) violations of the FIL
17 (Penalties), no later than fifteen (15) days, after the Effective Date of this Consent Order as defined
18 in paragraph 21 (Effective Date). Failure to pay Penalties in a timely manner shall be deemed to be a
19 material breach of this Consent Order.

20 4. **Waiver of Hearing Rights.** Angel Spa acknowledges that the Commissioner is ready,
21 willing, and able to proceed with the filing of an administrative enforcement action on the charges
22 contained in this Consent Order. Angel Spa hereby waives the right to any hearings, and to any
23 reconsideration, appeal, or other right to review which may be afforded pursuant to the FIL, the
24 California Administrative Procedure Act (APA), the Code of Civil Procedure (CCP), or any other
25 provision of law. Angel Spa further expressly waives any requirement for the filing of any
26 accusation pursuant to Government Code section 11415.60, subdivision (b). By waiving such rights,
27 Angel Spa effectively consents to this Consent Order and all of its terms becoming final.
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1 5. Failure to Comply with Consent Order. Angel Spa agrees that if it fails to comply
2 with the Desist and Refrain Order in this Consent Order, the Commissioner may, in addition to all
3 other available remedies it may invoke under the FIL, summarily suspend, revoke, or deny its FIL
4 registration (if applicable). Angel Spa stipulates to the finality of any such FIL registration
5 suspensions, revocations, or denials that the Commissioner may order. Angel Spa waives any
6 notice and hearing rights to contest such summary suspensions, revocations, or denials which may
7 be afforded under the FIL, the APA, the CCP, or any other provision of law in connection therewith.

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

12 7. Future Actions by Commissioner. If Angel Spa fails to comply with any terms of the
13 Consent Order, the Commissioner may institute proceedings for any and all violations otherwise
14 resolved by this Consent Order. The Commissioner reserves the right to bring any future actions
15 against Angel Spa, or any of its partners, owners, officers, shareholders, directors, employees, or
16 successors for any and all unknown violations of the FIL or any other law under the Commissioner’s
17 jurisdiction.

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

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

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

27 11. Reliance. Each of the Parties represents, warrants, and agrees that in executing this
28 Consent Order, it has relied solely on the statements set forth herein and the advice of its own

1 counsel. Each of the Parties further represents, warrants, and agrees that in executing this Consent
2 Order, it has placed no reliance on any statement, representation, or promise of any other party, or
3 any other person or entity not expressly set forth herein, or upon the failure of any party or any
4 other person or entity to make any statement, representation, or disclosure of anything whatsoever.
5 The Parties have included this clause: (1) to preclude any claim that any party was in any way
6 fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of parol
7 evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

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

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

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

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

27 16. Effect Upon Future Proceedings. If Angel Spa applies for any license, registration,
28 permit, or qualification under the Commissioner's current or future jurisdiction, or is the subject of

1 any future action by the Commissioner to enforce this Consent Order, then the subject matter hereof
2 shall be admitted for the purpose of such application(s) or enforcement proceeding(s).

3 17. Voluntary Agreement. Angel Spa enters into this Consent Order voluntarily and
4 without coercion and acknowledges that no promises, threats, or assurances have been made by the
5 Commissioner or any officer, or agent thereof, about this Consent Order. The Parties each
6 represent and acknowledge that he, she, or it is executing this Consent Order completely voluntarily
7 and without any duress or undue influence of any kind from any source.

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

10 To Angel Spa: Janet Martin, Esq.
11 Business and Franchise Law
12 25108 Marguerite Pkwy, #A334
13 Mission Viejo, California 92692
14 janet@janetmartinlaw.com

15 To the Commissioner: Marisa I. Urteaga-Watkins, Esq.
16 Department of Financial Protection and Innovation
17 2101 Arena Blvd.
18 Sacramento, California 95834
19 marisa.urteaga-watkins@dfpi.ca.gov

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

22 20. Public Record. Angel Spa hereby acknowledges that this Consent Order is and will
23 be a matter of public record.

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26 **THIS PORTION LEFT INTENTIONALLY BLANK**

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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 Angel Spa’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: 10/29/2024

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection
and Innovation

By: _____
COLLEEN MONAHAN
Deputy Commissioner

Dated: 10/29/2024

ANGEL SPA FRANCHISE, INC., DOING
BUSINESS AS ANGEL SPA

By: _____
TRUC HEIN TRAN LE
Chief Executive Officer