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8  
9 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
10 OF THE STATE OF CALIFORNIA

11 In the Matter of: ) FIL ORG ID: 84603  
 )  
12 THE COMMISSIONER ) STIPULATION  
13 OF BUSINESS OVERSIGHT, )  
 )  
14 Complainant, )  
 )  
15 v. )  
 )  
16 JEWELRY REPAIR ENTERPRISES, INC., )  
17 )  
18 Respondent. )  
 )  
19 )  
20 )  
 )

21  
22 IT IS HEREBY STIPULATED BY AND BETWEEN Jewelry Repair Enterprises, Inc.  
23 (hereinafter JRE”) and the Commissioner of Business Oversight (“Commissioner”), as follows:

24 RECITALS

25 A. Jewelry Repair Enterprises, Inc. (“JRE”) is a Pennsylvania corporation, incorporated on  
26 October 14, 1986 with a principal place of business at 1515 S. Federal Highway Suite 412, Boca  
27 Raton, FL 33432. JRE engages in the business of offering and selling franchises under the names  
28 of “Fast-Fix Jewelry Repairs” and “Fast-Fix Jewelry and Watch Repairs.”

1 B. On April 1, 2014, JRE filed a registration renewal application to offer and sell franchises in  
2 California. This application has not yet become effective, and is pending with the Department of  
3 Business Oversight (“Department”). The application contains a Uniform Franchise Disclosure  
4 Document (“UFDD”). The Uniform Disclosure Document describes Yvette Rivera as the Director  
5 of Franchise Relations, and explains that she has held this position since August 18, 2003. Yvette  
6 Rivera is no longer employed by JRE.

7 C. The franchise renewal application filed by JRE also includes an affidavit of Yvette Rivera  
8 Soulen indicating, in relevant part, under penalty of perjury, the following: Ms. Rivera Soulen has  
9 been the Director of Franchise Relations of Franchisor JRE since October 18, 2005. JRE hired  
10 Roger Casey as JRE’s Controller in June 2013. JRE asserts that during the three month period of his  
11 tenure, from June to September 2013, Mr. Casey, on his own authority and in an effort to clean out  
12 old and unnecessary documentation, shredded and destroyed JRE’s archived files, which contained  
13 numerous franchisee and store-related documents. In doing so, Mr. Casey destroyed a number of  
14 franchisee files which contained original UFDD receipts and other pertinent documentation that are  
15 not stored electronically. These files are where JRE retained its franchisee compliance  
16 documentation for long-term archive, and these records would have included UFDD receipt pages  
17 signed by California franchisees during the 2009-2011 time period. JRE asserts that Mr. Casey was  
18 neither directed nor authorized by JRE Executive Management to destroy these files.

19 D. On May 29, 2015, JRE submitted a declaration of Russell L. Cooper. Attached to his  
20 declaration is a spreadsheet showing records that are missing from franchise files. The spreadsheet  
21 reflected files of 178 franchises. Of these, approximately 32 files involve California franchisees and  
22 16 of the 32 California files are missing Item 23 Receipts. In his declaration, Mr. Cooper states that  
23 certain documents within specific franchise folders are noted as “missing” either from being  
24 misplaced during JRE’s consolidation under its new parent company or from inadequate record  
25 keeping practices prior to October 31, 2012. Mr. Cooper also notes in his declaration that 14 of the  
26 16 California franchise files that are missing Item 23 Receipts are from franchise sales that occurred  
27 prior to October 31, 2012, the date that JRE’s stock was acquired by its current ownership.

28 E. Without the books and records which are missing, there is a lack of assurance (through Item

1 23 Receipts) that California franchisees received a UFDD from JRE.

2 F. Accordingly, the Commissioner issued a Citation under the Franchise investment Law to  
3 prevent violations of law by JRE.

4 The Commissioner finds that this action is appropriate in the public interest and consistent  
5 with the purposes fairly intended by the policy and provisions of this law.

6 TERMS AND CONDITIONS

7 1. This Stipulation is entered into for the purpose of judicial economy and expediency, and to  
8 avoid the expense of a hearing, and possible further court proceedings.

9 2. JRE, without admitting or denying the findings of the Department’s Citation for violations of  
10 Corporations Code section 31150 of the Franchise Investment Law, hereby stipulates to the issuance  
11 of the Citation, in the form attached as Exhibit A.

12 3. JRE agrees to the finality of the Citation and agrees that the Citation shall remain in effect  
13 and is public.

14 4. JRE agrees to comply with all the provisions of the Citation. Failure to comply with all  
15 provisions of the Settlement Agreement including failure to meet deadlines shall constitute a breach  
16 of the Settlement Agreement and be grounds for the Commissioner to issue a stop order denying the  
17 effectiveness of the registration, and JRE hereby waives that right to a hearing, and to any  
18 reconsideration, appeal, or other rights which may be afforded pursuant to the Franchise Investment  
19 Law (Corp. Code, §31000 et seq.), the California Administrative Procedure Act (Govt. Code, §  
20 11370 et seq.), the California Code of Civil Procedure (Code of Civ. Proc., § 1, et seq.), or any other  
21 provision of law in connection with these matters.

22 5. JRE voluntarily waives its right to a hearing in relation to the Citation for violations of  
23 Corporations Code section 31150. Further, JRE waives its right to any hearing, review,  
24 reconsideration, appeal, or other right which may be afforded under the Franchise Investment Law,  
25 the Administrative Procedure Act, the Code of Civil Procedure, or any other provision of law in  
26 connection with this matter.

27 6. JRE enters this Stipulation voluntarily and without coercion and acknowledges that no  
28 promises, threats, or assurances have been made by the Commissioner or any officer, or agent

1 thereof, about this Stipulation.

2 7. JRE acknowledges that nothing in this Stipulation shall preclude the Commissioner, or the  
3 Commissioner’s agents or employees, to the extent authorized by law, from assisting or cooperating  
4 in any investigation and/or action brought by any federal, state or county agency. JRE also agrees  
5 that this Stipulation shall not bind or otherwise prevent any federal, state or county agency from the  
6 performance of its duties.

7 8. JRE agrees that the delivery by certified mail of the executed Citation by the Commissioner  
8 to JRE’s current counsel, David W. Oppenheim, shall constitute valid service of the Citation.

9 9. Each of the parties represents, warrants, and agrees that they have received independent  
10 advice from their attorney(s) and/or representatives with respect to the advisability of executing this  
11 Stipulation.

12 10. Each of the parties represents, warrants, and agrees that in executing this Stipulation they  
13 have relied solely on the statements set forth herein and the advice of their own attorney(s) and/or  
14 representatives. Each of the parties represents, warrants, and agrees that in executing this Stipulation  
15 they have placed no reliance on any statement, representation, or promise of any other party, or any  
16 other person or entity not expressly set forth herein, or upon the failure of any party or any other  
17 person or entity to make any statement, representation or disclosure of anything whatsoever. The  
18 parties have included this clause: (1) to preclude any claim that any party was in any way  
19 fraudulently induced to execute this Stipulation; and (2) to preclude the introduction of parol  
20 evidence to vary, interpret, supplement, or contradict the terms of this Stipulation.

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

26 12. In that the parties have had the opportunity to draft, review and edit the language of this  
27 Stipulation, no presumption for or against any party arising out of drafting all or any part of this  
28 Stipulation will be applied in any action relating to, connected to, or involving this Stipulation.

1 Accordingly, providing that in cases of uncertainty, language of contract should be interpreted most  
2 strongly against the party who causes the uncertainty to exist.

3 13. This Stipulation shall not become effective until signed and delivered by all parties.

4 14. This Stipulation may be executed in one or more separate counterparts, each of which when  
5 so executed, shall be deemed an original but all of which, together, shall be deemed to constitute a  
6 single document. This Stipulation may be executed by facsimile or scanned signature, and any such  
7 facsimile or scanned signature by any party hereto shall be deemed to be an original signature and  
8 shall be binding on such party to the same extent as if such facsimile or scanned signature were an  
9 original signature.

10 15. Each signator hereto covenants that he or she possess all necessary capacity and authority to  
11 sign and enter into this Stipulation.

12 Dated: September 8, 2015 Jan Lynn Owen  
13 Commissioner of Business Oversight

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15  
16 By \_\_\_\_\_  
17 MARY ANN SMITH  
18 Deputy Commissioner  
19 Enforcement Division

20 Dated: September 2, 2015 JEWELRY REPAIR ENTERPRISES, INC.

21  
22 By \_\_\_\_\_  
23 Gerry Weber  
24 Chief Executive Officer

25 APPROVED AS TO FORM:

26 Dated: September 1, 2015

27 By \_\_\_\_\_  
28 DAVID W. OPPENHEIM  
Greenberg Traurig, LLP attorneys for  
Jewelry Repair Enterprises, Inc.