STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

IN THE MATTER OF DETERMINING whether there has been a violation of the Franchise Investment Protection Act of Washington by:

Order Number S-06-074-06-CO01

CONSENT ORDER

The Cure Service Group, Inc. dba 1-800-WATER DAMAGE; Rick Stonell; Lisa Bongi,

INTRODUCTION

Respondents.

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division and Respondents, The Cure Service Group, Inc. dba 1-800-WATER DAMAGE, Rick Stonell Lisa Bongi, and their agents and employees, do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondents, The Cure Service Group, Inc. dba 1-800-WATER DAMAGE, Rick Stonell, Lisa Bongi, and their agents and employees, neither admit nor deny the Findings of Fact and Conclusions of Law stated below.

FINDINGS OF FACT

Respondents

1. The Cure Service Group, Inc. dba 1-800-WATER DAMAGE ("Cure Service Group"), a Washington corporation, was incorporated on January 2, 2002. The Cure Service Group is currently doing business at 1167 Mercer Street, Seattle, WA 98109. The Cure Service Group maintains a website at http://www.1800waterdamage.com.

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2. Rick Stonell ("Stonell"), formerly known as Ricky LeeRoy Stowell, is the former Chief Executive Officer of the Cure Service Group.

Lisa Bongi ("Bongi") is the President and Chief Executive Officer of the Cure Service
 Group.

Nature of Offering

4. The Cure Service Group sells a franchise opportunity to own and operate a water damage restoration business, under the trade name 1-800 WATER DAMAGE.

9 5. Respondents caused to be placed on the website an advertisement for a 1-800-WATER 10 DAMAGE franchise opportunity whereby purchasers of the opportunity would own an exclusive 11 marketing area. The 1-800-WATER DAMAGE WEBSITE states "Our experienced franchise 12 management staff and comprehensive training program will provide marketing plans, operation manuals, 13 expert assistance, advice, guidance and all the support you need to own and operate you own 1-800-14 WATER DAMAGE franchise." According to the website, support provided to 1-800 WATER 15 DAMAGE franchisees, included: "Exclusive usage of trademarks and our logo, Exclusive Marketing 16 Area, Start-up assistance, location and lease negotiation guidelines, Two week comprehensive training at 17 the National Training Center, Operations manual, Ongoing assistance, Regular communications from the 18 home office, Private Intranet site with forums, library, newsletters and adslicks".

A Washington Resident ("Resident") contacted the Cure Service Group about opening a
 franchise in Washington in the spring of 2005. The Resident learned about the opportunity from a
 franchise consultant.

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7. Prior to making the purchase, the Resident was given two Cure Service Group Uniform Franchise Offering Circulars (offering circular). The first offering circular was provided to him in April 2005 and the second offering circular was given to him in May 2005.
8. In the offering circulars provided to the Resident, Stonell was listed as the Chief Executive Officer in Item 2, the business experience disclosure section. Under Item 4, the bankruptcy disclosure section, the offering circular stated "No person previously identified in Items 1 or 2 of this offering circular has been involved as a debtor in proceedings under the U.S. Bankruptcy Code required to be disclosed in this Item."

9. The most recent franchise filing on record with the Securities Administrator was a renewal filing from March 31, 2005. The offering circular in the renewal filing contained identical information to the offering circulars provided to the Resident.

10. On June 8, 2005, the Resident entered into a franchise agreement with the Cure Service Group and paid a \$65,560.40 initial franchise fee for the Vancouver, Washington area.

Misrepresentations and Omissions

11. The Cure Service Group failed to provide material information regarding the company,
 including, but not limited to: Rick Stonell's Chapter 7 bankruptcy filed in the Southern District of
 California on February 9, 1998 filed under his former name Ricky LeeRoy Stowell.

Registration Status

 12.
 1-800 WATER DAMAGE is currently registered to offer and sell franchises in the State of

 Washington.
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CONCLUSIONS OF LAW 1. The offer and/or sale of the opportunity described above constitute the offer and/or sale of a franchise as defined in RCW 19.100.010(4) and RCW 19.100.010(16). 2. The offer and/or sale of said franchise was in violation of RCW 19.100.170, the anti-fraud provision of the Franchise Investment Protection act. **CONSENT ORDER** Based upon the foregoing: IT IS AGREED AND ORDERED that Respondents, The Cure Service Group, Inc. dba 1-800-WATER DAMAGE, Rick Stonell, Lisa Bongi, and their agents and employees each shall cease and desist from offering or selling franchises in violation of RCW 19.100.170. IT IS FURTHER AGREED AND ORDERED that Respondents, The Cure Service Group, Inc. dba 1-800-WATER DAMAGE, Rick Stonell and Lisa Bongi, shall disclose the existence and contents of this Order in any Uniform Franchise Offering Circular approved for use in the State of Washington, such requirement commencing from the date of entry of this Order. IT IS FURTHER AGREED AND ORDERED that Respondents, The Cure Service Group, Inc. dba 1-800-WATER DAMAGE, Rick Stonell and Lisa Bongi, inform any of their current Washington franchisees of the existence and provide a copy of this Order within 30 days of the entry of the order. IT IS FURTHER AGREED that Respondents, The Cure Service Group, Inc. dba 1-800-WATER DAMAGE, Rick Stonell and Lisa Bongi, shall pay to the Securities Division the costs, fees, and other DEPARTMENT OF FINANCIAL INSTITUTIONS CONSENT ORDER 4 Securities Division PO Box 9033 Olympia, WA 98507-9033

360-902-8760

Based upon the above Findings of Fact, the following Conclusions of Law are made:

expenses incurred in the investigation of this matter in the amount of \$650 on or before the date of entry of this Order.

3	IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Order.
4	IT IS FURTHER AGREED that in consideration of the foregoing, Respondents, The Cure
5	Service Group, Inc. dba 1-800-WATER DAMAGE, Rick Stonell and Lisa Bongi, waive their rights to a
6	hearing in this matter and judicial review of this matter pursuant to Chapter 34.05 RCW.
7	SIGNED this12 day ofJuly, 2006.
8	Approved for Entry by:
9 10	By/s/ Barry Kurtz, State Bar of California # 57544
11	
12	Signed by:
13	The Cure Service Group, Inc.
14	By/s/
15	Lisa Bongi, President
16	Signed by:
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18	/s/ Rick Stonell, Individually
19	
20	Signed by:
21	/s/
22	Lisa Bongi, Individually
23	CONSENT ORDER 5 DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division
24	PO Box 9033 Olympia, WA 98507-9033 360-902-8760
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SIGNED and ENTERED this 17th day of July, 2006.

midel Z, Stevenson

MICHAEL E. STEVENSON Securities Administrator

Approved by:

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Martin Condell

Martin Cordell Chief of Enforcement Presented by:

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Angela Vogel Enforcement Attorney

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