

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:)
Jocor Enterprises, LLC doing business as Volcano)
Fine Electronic Cigarettes,)
Respondent.)

Order No. S-12-0954-12-CO01

CONSENT ORDER

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division and Respondent, Jocor Enterprises, LLC doing business as Volcano Fine Electronic Cigarettes, do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondent, Jocor Enterprises, LLC, neither admits nor denies the Tentative Findings of Fact or Conclusions of Law as stated below.

TENTATIVE FINDINGS OF FACT

I.

Parties

1. Jocor Enterprises, LLC d/b/a Volcano Fine Electronic Cigarettes is a Hawaii limited liability company with its principal place of business in Honolulu, Hawaii.

2. Cory N. Smith is the managing member of Jocor Enterprises, LLC.

II.

Nature of the Offering

3. In 2011, a Washington State resident contacted Cory N. Smith of Jocor Enterprises, LLC by email after viewing the company’s website at www.volcanoecigs.com on which the company advertised its e-cigarettes and related products. The resident also spoke with Smith and another Jocor Enterprises, LLC employee by telephone to discuss the company’s products and the opportunity to open a Washington store to sell Jocor Enterprises, LLC products. Jocor Enterprises, LLC offered the resident the right to use the company’s marks and names, training and marketing assistance, and a “franchisee discount” on Volcano e-cigarette products. In exchange, the company would require the resident to pay a \$10,000 initial fee and an ongoing monthly fee of \$3,000 after the store’s fourth month of business. Jocor Enterprises provided the resident with price lists for its products. Smith emailed the resident a “franchise agreement” that the resident signed in September, 2011. The resident paid the initial \$10,000 fee by debit card. Jocor Enterprises, LLC reviewed the proposed plans for the resident’s store, provided artwork to be used in the store and for marketing of the products, provided technical training on the use of the products and Smith personally

1 assisted with the store's grand opening. Jocer Enterprises, LLC added the Washington store to its list of retail
2 locations on its website.

3 **III.**

4 Failure to Deliver Offering Circular

5 4. In connection with the offer and sale of the license, Respondent failed to provide the prospective
6 purchaser with an offering circular or disclosure document as required by RCW 19.100.080 that contained the
7 information about the franchise required by RCW 19.100.040.

8 **IV.**

9 Registration Status

10 5. Respondent Jocer Enterprises, LLC is not currently registered to sell franchises in the state of
11 Washington and has not previously been so registered.

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

13 **CONCLUSIONS OF LAW**

14 **I.**

15 The offer or sale of the franchise as described above constitutes the offer and/or sale of a franchise as defined
16 in RCW 19.100.010(16) and RCW 19.100.010(4).

17 **II.**

18 The offer or sale of said franchises was in violation of RCW 19.100.020 because no registration for such offer
19 and/or sale is on file with the Securities Administrator, state of Washington.

20 **III.**

21 The offer and/or sale of said franchises were in violation of RCW 19.100.080 because Respondent failed to
22 provide the prospective purchaser with a disclosure document or offering circular as required by RCW 19.100.040
23 prior to the sale of the franchise.

24 **CONSENT ORDER**

25 Based upon the foregoing and finding it in the public interest:

IT IS AGREED AND ORDERED THAT Respondent, Jocer Enterprises, LLC, its agents and employees shall each cease and desist from offering or selling franchises in violation of RCW 19.100.020, the registration section of the Franchise Investment Protection Act of the state of Washington.

1 IT IS FURTHER AGREED AND ORDERED THAT Respondent, Jocer Enterprises, LLC, its agents and
2 employees shall each cease and desist from violating RCW 19.100.080, the disclosure document requirement
3 provision of the Franchise Investment Protection Act.

4 IT IS FURTHER AGREED that Respondent shall pay the Securities Division the costs and other expenses
5 incurred in the investigation of this matter in the amount of \$4,500 on or before the date of entry of this Consent
6 Order.

7 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.

8 IT IS FURTHER AGREED that Respondent, Jocer Enterprises, LLC, enters into this Consent Order freely
9 and voluntarily and with full understanding of its terms and significance.

10 IT IS FURTHER AGREED that in consideration of the foregoing, Jocer Enterprises, LLC, waives its right to
11 a hearing and to judicial review of this matter.

12 Signed this 30th day of May, 2012.

13 _____
14 /s/
15 JOCOR ENTERPRISES, LLC by: CORY N. SMITH, Managing Member

16 _____
17 SIGNED and ENTERED this 5th day of June, 2012.

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19 _____
20 WILLIAM M. BEATTY
21 Securities Administrator

22 Approved by:

23 Presented by:

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26 _____
27 SUZANNE SARASON
28 Chief of Enforcement

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30 MARTIN CORDELL
31 Financial Legal Examiner

1 Reviewed by:



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3 JACK MCCLELLAN
4 Financial Legal Examiner Supervisor
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