### STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

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

iCare Repair, LLC;

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Order No.: S-15-1816-15-CO01 CONSENT ORDER

Respondents.

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division and Respondent iCare Repair, LLC enter into this Consent Order to settle the matters set forth below. Respondent iCare Repair, LLC neither admits nor denies the following Findings of Fact or Conclusions of Law:

## FINDINGS OF FACT

### **Respondents**

1. iCare Repair, LLC is a Michigan limited liability company formed for the purpose of operating electronic repair businesses. iCare Repair is an affiliate of iCare Repair Franchising, LLC, a Michigan limited liability company, which seeks to open electronic repair franchises nationwide.

#### Nature of the Offering

2. In 2012, iCare Repair opened an electronic repair business in Michigan. The business repairs personal electronic devices, such as cell phones and tablets. iCare Repair sells accessories for these devices as well. Since 2012, iCare Repair has expanded its operations within Michigan, and in 2014, the company entered into a contract with a Washington couple to open an iCare Repair business in Washington.

3. Before moving to Washington, the Washington couple had helped iCare Repair open iCare Repair businesses in Michigan.

4. For a fee of \$30,000, iCare Repair offered and sold the Washington couple the right to own and operate an iCare Repair business in Washington. iCare Repair further agreed to assist the Washington couple with opening and operating their iCare Repair business.

5. As part of the fee, iCare Repair also represented that it would train the Washington couple to repair personal electronic devices, assist the couple with purchasing products for the business, help the couple in their marketing efforts, and provide the couple with business management training. iCare Repair additionally agreed to provide the Washington couple with general training and assistance for a period of three years.

#### CONSENT ORDER

6. iCare Repair further agreed to maintain the national iCare Repair website for the Washington couple, and it granted the Washington couple the right to use the iCare Repair name in signage, business cards, and websites for general branding purposes.

7. The Washington couple currently operates this iCare Repair business through a separate limited liability company. iCare Repair represents that it has fulfilled the contractual obligations it owes to date to the Washington couple.

### Registration Status

8. iCare Repair is not currently registered to sell franchises in the state of Washington and has not previously been registered to do so. There is no notification of exemption on file for iCare Repair with the state of Washington.

# Failure to Provide Disclosure Document

9. iCare Repair did not provide the Washington couple with a disclosure document, which met the requirements of RCW 19.100.040, prior to their purchase of an iCare Repair business.

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

### CONCLUSIONS OF LAW

1. The offer and sale of iCare Repair's electronic repair business as described above constitutes the offer and sale of a franchise as defined in RCW 19.100.010(6), RCW 19.100.010(12), and RCW 19.100.010(17).

2. The offer and sale of this franchise was in violation of RCW 19.100.020 because no registration for the offer and sale was on file with the Securities Administrator of the state of Washington at the time of iCare Repair's offer and sale to the Washington couple.

3. The offer and sale of this franchise was in violation of 19.100.080 because iCare Repair did not provide the Washington couple, prior to their purchase, with a franchise disclosure document, which contained information about the franchise, as required by RCW 19.100.040.

#### **CONSENT ORDER**

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

IT IS AGREED AND ORDERED that Respondent iCare Repair, 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.

IT IS FURTHER AGREED AND ORDERED that Respondent iCare Repair, its agents, and employees shall each cease and desist from violating RCW 19.100.080, the disclosure document section of the Franchise Investment Protection Act of the state of Washington.

#### CONSENT ORDER

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IT IS FURTHER AGREED that prior to the entry of this Consent Order, Respondent iCare Repair shall be liable for and shall pay the Securities Division the costs and expenses incurred in the investigation of this matter in the amount of \$625.

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

IT IS FURTHER AGREED that Respondent iCare Repair enters into this Consent Order freely and voluntarily and with full understanding of its terms and significance.

IT IS FURTHER AGREED that in consideration of the foregoing, iCare Repair waives its right to a hearing and to judicial review of this matter.

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9	Signed this20th day of January 2016.
10 11	iCare Repair, LLC
12 13	By/s/ Daniel K. Peabody President
14	Approved as to form by:
15 16	/s/ Mark J. Burzych, Attorney for Respondent
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18	SIGNED and ENTERED this <u>28th</u> day of <u>January</u> 2016.
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21	Million Seat
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23	William M. Beatty Securities Administrator
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25	Approved by: Presented by:
	CONSENT ORDER 3 DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia WA 98507-9033 360-902-8760

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Suzanne Sarason Chief of Enforcement Eric Palosaari Financial Legal Examiner

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Reviewed by:

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Jack McClellan Financial Legal Examiner Supervisor