

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
Washington by:

Dinners Ready, Inc., its agents and employees,

Respondents.

Order Number S-04-171-04-CO01

CONSENT ORDER

INTRODUCTION

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division of the Department of Financial Institutions (Securities Division) and Respondent, Dinners Ready, Inc., do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondent neither admits nor denies the Findings of Fact and Conclusions of Law stated below.

FINDINGS OF FACT

I.

Dinners Ready, Inc. is a Washington corporation having a principal business address of 8490 Mukilteo Speedway, Suite 211, Mukilteo, Washington 98275.

II.

Dinners Ready, Inc. is a seller of an investment opportunity called a "Dinners Ready! Kitchen" in which purchasers operate a retail catering/assembly kitchen. Retail customers of a "Dinners Ready! Kitchen" book sessions for the assembly of dinner entrees that they take home to serve at a later time. Purchasers of the investment opportunity operating under the trade name "Dinners Ready!" are obligated to pay an initial franchise fee of \$25,000 upon execution of a franchise agreement. They are also required pay

CONSENT ORDER

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

Dinners Ready, Inc.

1 certain royalty and advertising fees. Purchasers are entitled to receive manuals and other information
2 concerning operation of a Dinners Ready! Kitchen, including marketing plans and promotional materials,
3 training in the operation of the business, use of the Dinners Ready! Trade names and marks, use of
4 proprietary customer ordering and accounting software, and exclusive rights to operate a Dinners Ready!
5 Kitchen within an exclusive territory.

6 III.

7 On July 01, 2004, Dinners Ready, Inc. filed or caused to be filed with the Securities Division
8 an initial application to register its Dinners Ready! Kitchen franchise in Washington (Franchise Registration
9 Application File No. 70012838) pursuant to Washington's Franchise Investment Protection Act.
10 Information obtained subsequent to the filing indicated that Dinners Ready, Inc. had offered and sold its
11 Dinners Ready! Kitchen opportunity to three Washington residents for operation within the state prior to the
12 date of application. Dinners Ready, Inc. provided these Washington purchasers with a UFOC that did not
13 contain complete material information about the Dinners Ready! Kitchen opportunity including, but not
14 necessarily limited to, a financial statement for the seller.

15
16 IV.

17 Dinners Ready, Inc. is not currently registered to sell franchises in the state of Washington and
18 has not previously been so registered. There is no notification of claim of exemption on file with the
19 state of Washington Securities Division.

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

21 CONCLUSIONS OF LAW

22 I.

1 The offer and/or sale of the Dinners Ready! Kitchen opportunity described above constitutes the
2 offer and/or sale of a franchise as defined in RCW 19.100.010(16) and RCW 19.100.010(4).

3 II.

4 The offer and/or sale of said franchises was in violation of RCW 19.100.020, the registration
5 requirement provision of the Franchise Investment Protection Act, because no registration for offers and/or
6 sales is effective with the Securities Division and it appears that the Respondent does not otherwise qualify
7 for an exemption from registration.

8 III.

9 The offer and/or sale of said franchises was made in violation of RCW 19.100.080, the
10 disclosure document requirement provision of the Franchise Investment Protection Act, because Respondent
11 provided Washington purchasers with a UFOC that did not contain complete material information about the
12 Dinners Ready! Kitchen opportunity including, but not necessarily limited to, a financial statement for the
13 seller.

14 CONSENT ORDER

15 Based upon the foregoing:

16 IT IS AGREED AND ORDERED that Respondent and its agents and employees each shall refrain
17 from the offer and/or sale of unregistered franchises in violations of RCW 19.100.020, the registration
18 section of the Franchise Investment Protection Act of the State of Washington.

19 IT IS FURTHER AGREED AND ORDERED that Respondent and its agents and employees each
20 shall refrain from the offer and/or sale of franchises in violation of RCW 19.100.080, the disclosure
21 document requirement provision of the Franchise Investment Protection Act of the State of Washington.
22

1 IT IS FURTHER AGREED AND ORDERED that Respondent and its agents and employees each
2 shall inform current Washington franchisees of this Order by providing them copies of this Order and a
3 UFOC disclosure document authorized to be sent by the Securities Division disclosing the existence and
4 contents of the Order. Respondent shall provide to the Securities Division within 60 days of the date of
5 entry of this Order proof of receipt or proof of delivery to franchisees.

6 IT IS FURTHER AGREED that Respondent shall reimburse the Securities Division \$700.00,
7 payable prior to the entry of this CONSENT ORDER, for its costs of investigation of this matter.

8 IT IS FURTHER AGREED that in consideration of the foregoing Respondents waive their rights to
9 a hearing in this matter and judicial review of this order.

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

11
12
13 SIGNED this 27th day of August, 2004.

14 Signed by:

15 Dinners Ready, Inc.

16
17 By: _____
18 Name: SCOTT FARRAR

19
20 President
21 Title

22
23 SIGNED and ENTERED this 31st day of August, 2004 by


24
25 CONSENT ORDER
26 Dinners Ready, Inc.

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Securities Division
PO Box 9033
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Michael E. Stevenson
Securities Administrator

Approved by:

Presented by:





Martin Cordell
Chief of Enforcement

Brad Ferber
Financial Legal Examiner