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**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-06-153-06-CO01

CONSENT ORDER

Racing Limos, Inc;
Bryan Pease,

Respondents.

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INTRODUCTION

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division and Respondents, Racing Limos, Inc. and Bryan Pease, and their agents and employees, do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondents, Racing Limo, Inc. and Bryan Pease, and their agents and employees, neither admit nor deny the Findings of Fact and Conclusions of Law stated below.

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FINDINGS OF FACT

Respondents

1. Racing Limos, Inc., (“Racing Limos”), a Florida corporation, was formed on May 13, 2002. Racing Limos is currently doing business at 5621 Strand Blvd., Suite 205, Naples, Florida 34110.
2. Bryan Pease is the President of Racing Limos.

1 Nature of Offering

2 3. Racing Limos offers a franchise opportunity to operate a business that provides
3 transportation and mobile advertising via racing-themed car and truck limousines rentals.

4 4. Respondents caused to be placed on their website, www.racinglimos.com, an advertisement
5 for a Racing Limos opportunity in Washington whereby purchasers of the opportunity own an exclusive
6 territory. The total investment price for the opportunity ranged from \$37,500 to \$137,500 with an
7 advance royalty payment which ranged from \$22,500 to \$77,500. There is also a continuing royalty
8 payment requirement of 7%. The agreement is for 20 years.

9 5. The website represents that Racing Limo provides marketing assistance and training. The
10 training includes: a “comprehensive course, extensive operations manual, personal visits, telephone
11 visits, annual conference (3 days), website support area and toll free help line”. The marketing support
12 includes: “custom newsletters and direct mail pieces, toll free helpdesk, your own internet website, local
13 and regional promotions, introductory print and radio ads and marketing brand package of promotional
14 materials”.

15 6. Purchasers of the opportunity are allowed to use the Racing Limos trade name and service
16 mark for their business. According to the Racing Limos contract, “Licensor grants licensee the exclusive
17 rights to use the servicemark rights, know-how, trade secrets and copyrights to practice the business in
18 the territory during the term of this agreement.”

19 7. On February 1, 2006, Racing Limos offered and sold a franchise opportunity to a resident
20 of Spokane, Washington. The purchaser of the opportunity paid \$15,500 in advance royalties for the
21 opportunity in addition to a deposit of \$2,500. The agreement also required monthly royalty payments
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1 of 7% based on revenues and monthly marketing fund payments of 3% based on gross sales by the
2 purchaser of the opportunity.

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4 Registration Status

5 8. Racing Limos is not currently and has not previously been registered to offer and sell
6 franchises in the State of Washington.

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

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9 **CONCLUSIONS OF LAW**

10 1. The offer and/or sale of the opportunity described above constitute the offer and/or sale of
11 a franchise as defined in RCW 19.100.010(4) and RCW 19.100.010(16).

12 2. The offer and/or sale of said franchise was in violation of RCW 19.100.020, the
13 registration provision of the Franchise Investment Protection act, because no registration for offers
14 and/or sales is on file with the Securities Administrator.

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16 **CONSENT ORDER**

17 Based upon the foregoing:

18 IT IS AGREED AND ORDERED that Respondents, Racing Limos, Inc. and Bryan Pease, and their
19 agents and employees, each shall cease and desist from offering or selling franchises in violation of
20 RCW 19.100.020, the registration section of the Franchise Investment Protection Act of the State of
21 Washington.

1 IT IS FURTHER AGREED AND ORDERED that Respondents, Racing Limos, Inc. and Bryan
2 Pease, shall disclose the existence and contents of this Order in any Uniform Franchise Offering Circular
3 approved for use in the State of Washington, such requirement commencing from the date of entry of this
4 Order.

5 IT IS FURTHER AGREED AND ORDERED that Respondents, Racing Limos, Inc. and Bryan
6 Pease, shall inform any of their current Washington franchisees and/or purchasers of the opportunity of
7 the existence of this Order and provide a copy of this Order within 30 days of the entry of the Order.

8 IT IS FURTHER AGREED that Respondents, Racing Limos, Inc. and Bryan Pease shall pay to
9 the Securities Division the costs, fees, and other expenses incurred in the investigation and prosecution
10 of this matter in the amount of \$720 on or before the date of entry of this Order.

11 IT IS AGREED that this Consent Order alone will not constitute a bar to the approval of any new
12 application of Racing Limos, Inc. for registration as a franchise.

13 IT IS AGREED that this Consent Order is not an application of Racing Limos, Inc. for registration
14 as a franchise.

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

16 IT IS FURTHER AGREED that in consideration of the foregoing, Respondents, Racing Limos,
17 Inc. and Bryan Pease, waive their rights to a hearing in this matter and judicial review of this matter
18 pursuant to Chapter 34.05 RCW.

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SIGNED this 28th day of November, 2006.

Approved for Entry by:

By _____/s/_____
Edward M. Livingston
Florida Bar Association # 251879

Signed by:
Racing Limos, Inc.

By _____/s/_____
Bryan Pease, President

Signed by:

By _____/s/_____
Bryan Pease

SIGNED and ENTERED this 6th day of December, 2006.

Michael E. Stevenson

MICHAEL E. STEVENSON
Securities Administrator

Approved by:

Suzanne Sarason

Suzanne Sarason
Chief of Compliance & Examinations

Presented by:

Angela Vogel

Angela Vogel
Enforcement Attorney