

1 STATE OF WASHINGTON
2 DEPARTMENT OF FINANCIAL INSTITUTIONS
3 SECURITIES DIVISION

4 IN THE MATTER OF DETERMINING) Order Number S-07-363-07-CO01
5 Whether there has been a violation of the)
6 Franchise Investment Protection Act of) CONSENT ORDER
7 Washington by:)
8 Coffee Times;)
9 Joann Jagroop;)
10 Respondents)

11 **INTRODUCTION**

12 Pursuant to the Franchise Investment Protection Act of Washington, RCW
13 19.100, the Securities Division and Respondents, Coffee Times and Joann Jagroop, do hereby
14 enter into this Consent Order in settlement of the matters alleged herein. Respondents neither
15 admit nor deny the Findings of Fact and Conclusions of Law stated below.

16 **FINDINGS OF FACT**

17 **I. RESPONDENTS**

18 1. Coffee Times was a sole proprietorship with its principal place of business located
19 at 11003 122nd Avenue KP N, Gig Harbor, Washington 98329. Coffee Times was owned and
20 operated by JoAnn Jagroop.

21 **II. NATURE OF THE OFFERING**

22 2. In August 2007, the Securities Division received a complaint from a
23 Washington resident who alleged that Coffee Times was illegally copying the business format
24 and copyrighted intellectual property of his company, as well as failing to register its franchise
25 opportunity with the State of Washington. Following this, the Securities Division found that, as

1 late as September, 2007, Respondents caused to be placed on the Internet at
2 <http://www.coffeetimes.org/> an advertisement for a Coffee Times franchise opportunity which
3 involves printing and distributing a local or district edition of the Coffee Times newspaper.

4 3. Coffee Times offered to provide prospective franchisees with the content, basic
5 computer graphics training and “the successful layout and business model” developed by Coffee
6 Times. Coffee Times was also to coach franchisees through the process of learning to sell
7 advertising to local businesses and finding cafes, restaurants and other outlets to distribute their
8 local or district edition of the Coffee Times newspaper. Coffee Times offered to produce and
9 provide a working layout of each edition of the newspaper for the franchisee, including the right
10 to use the Coffee Times logo. In exchange for the above, franchisees would pay Coffee Times
11 20% of advertising revenues received for their local or district edition of Coffee Times.
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13 **III. REGISTRATION STATUS**

14 4. Coffee Times is not currently registered to offer and/or sell its franchises in the
15 State of Washington and has not previously been so registered.

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

17 **CONCLUSIONS OF LAW**

18 1. The offer and/ or sale of franchises described above constitutes the offer and/or
19 sale of a franchise as defined in RCW 19.100.010(4) and RCW 19.100.010(16).
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21 2. The offer and/or sale of said franchises is in violation of RCW 19.100.020, the
22 registration provision of the Franchise Investment Protection act, because no registration for
23 offers and/or sales is on file with the Securities Administrator.

24 **CONSENT ORDER**

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

CONSENT ORDER

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

1 IT IS AGREED AND ORDERED that Respondents, Coffee Times and Joann
2 Jagroop, and their agents and employees, each shall cease and desist from offering or selling
3 franchises in violation of RCW 19.100.020, the registration section of the Franchise
4 Investment Protection Act of the State of Washington.

5 IT IS FURTHER AGREED AND ORDERED that Respondents, Coffee Times and
6 Joann Jagroop, each shall disclose the existence and contents of this Order in any Uniform
7 Franchise Offering Circular or Disclosure Document approved for use in the State of
8 Washington for a period of three years from the date of entry of this Order.

9 IT IS FURTHER AGREED that this Order shall remain in force and effect for a
10 period of three years from the date of entry of this Order.

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

13 IT IS FURTHER AGREED that in consideration of the foregoing, Respondents
14 Coffee Times and Joann Jagroop, each may waive their rights to a hearing in this matter and
15 judicial review of this matter pursuant to Chapter 34.05 RCW.

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1 SIGNED this 3rd day of January, 2008.

2 Signed by:

3 Coffee Times

4
5 By _____ /S/
6 JoAnn Jagroop, Sole Proprietor/Owner

7 Signed by:

8 Joann Jagroop

9
10 By _____ /S/
11 JoAnn Jagroop

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13 SIGNED and ENTERED this 16th day of January, 2008.

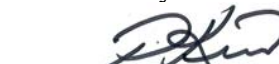
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17 MICHAEL E. STEVENSON
18 Securities Administrator

19 Approved by:

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21 Martin Cordell
22 Chief of Enforcement

23 Presented by:

24 
25 Patrick Kim
Financial Legal Examiner