

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING) Order Number S-07-363-07-SC01
Whether there has been a violation of the)
Franchise Investment Protection Act of) STATEMENT OF CHARGES AND NOTICE
Washington by:) OF INTENT TO ENTER ORDER TO CEASE
) AND DESIST
Coffee Times;)
Joann Jagroop;)
)
Respondents)

THE STATE OF WASHINGTON TO: Coffee Times
Joann Jagroop

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Coffee Times and Joann Jagroop, have each violated the Franchise Investment Protection Act of Washington, RCW 19.100, and that their violations justify an entry of an order of the Securities Administrator under RCW 19.100.248 against each to cease and desist from such violations. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

I. RESPONDENTS

1. Coffee Times is a sole proprietorship with its principal place of business located in Gig Harbor, WA.

2. JoAnn Jagroop is the owner/operator of Coffee Times.

II. NATURE OF THE OFFERING

3. In August 2007, the Securities Division received a complaint from a

1 Washington resident who alleged that Coffee Times was illegally copying the business format
2 and copyrighted intellectual property of his company, as well as failing to register its franchise
3 opportunity with the State of Washington. Following this, the Securities Division found that, as
4 late as September, 2007, Respondents caused to be placed on the Internet at
5 <http://www.coffeetimes.org/> an advertisement for a Coffee Times franchise opportunity which
6 involves printing and distributing a local or district edition of the Coffee Times newspaper.
7

8 4. Coffee Times offers to provide prospective franchisees with the content, basic
9 computer graphics training and “the successful layout and business model” developed by Coffee
10 Times. Coffee Times was also to coach franchisees through the process of learning to sell
11 advertising to local businesses and finding cafes, restaurants and other outlets to distribute their
12 local or district edition of the Coffee Times newspaper. Coffee Times offers to produce and
13 provide a working layout of each edition of the newspaper for the franchisee, including the right
14 to use the Coffee Times logo. In exchange for the above, franchisees would pay Coffee Times
15 20% of advertising revenues received for their local or district edition of Coffee Times.
16

17 **III. REGISTRATION STATUS**

18 5. Coffee Times is not currently registered to offer or sell its franchises in the State
19 of Washington and has not previously been so registered.

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

21 **CONCLUSIONS OF LAW**

22 6. The offer or sale of franchises described above constitutes the offer or sale of a
23 franchise as defined in RCW 19.100.010(4) and RCW 19.100.010(16).

24 7. The offer or sale of said franchises is in violation of RCW 19.100.020 because no
25 registration for such offer or sale is on file with the Securities Administrator.

