

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION

IN THE MATTER OF DETERMINING ) Order Number S-09-156-09-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  
Spencer Brown, dba Rent-A-Green Box; )  
)  
Respondent )  
\_\_\_\_\_ )

THE STATE OF WASHINGTON TO: Spencer Brown, dba Rent-A-Green Box

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondent, Spencer Brown, doing business as (dba) Rent-A-Green Box, has violated the Franchise Investment Protection Act of Washington, RCW 19.100, and that his violations justify the entry of an order of the Securities Administrator under RCW 19.100.248 to cease and desist from such violations. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

RESPONDENT

1. Spencer Brown dba Rent-A-Green Box is a sole proprietor with a principal place of business in Costa Mesa, California.

NATURE OF THE OFFERING

2. On approximately January 21, 2009, a Washington couple saw an article that referenced Spencer Brown and Rent-A-Green Box in the New York Times online. They found a website at Rent-A-Green Box.com, submitted an initial application with contact information

1 about the Washington couple, and subsequently received a “Licensee Application” and other  
2 materials relating to the program. The program offered involves the business of renting moving  
3 or packing boxes made of recycled materials. The concept is to enter a contract with individuals  
4 who purchase the boxes for the purpose of renting them to the general public under the Rent-A-  
5 Green Box name, service mark and trade name granted by Spencer Brown, dba Rent-A-Green  
6 Box. Spencer Brown, dba Rent-A-Green Box, offers training, a territory, marketing assistance,  
7 and site selection assistance for operating a Rent-A-Green Box business. The licensing program  
8 materials state that those who open Rent-A-Green Box locations may use the name to support  
9 “brand awareness” in such things as professionally designed marketing materials, signage, flyers,  
10 and direct mail offerings. Persons who buy into the business are obligated to pay Rent-A-Green  
11 Box an initial fee of between \$10,000 and \$50,000 per year based on the demographics and  
12 market concentration as well as “.10 cents” per “Recopack” (invented by Spencer Brown and  
13 standing for Recycled Ecological Packing Solution, an environmentally-friendly material) in the  
14 purchaser’s inventory. The Washington couple determined not to pursue the Rent-A-Green Box  
15 program, but did notify the Securities Division of the offer.  
16

#### 17 DISCLOSURE OMISSIONS

18 3. Spencer Brown dba Rent-A-Green Box did not provide the prospective  
19 Washington purchasers with a Franchise Disclosure Document (FDD) that contained all material  
20 information about the franchise including, but not necessarily limited to, a financial statement for  
21 the seller.  
22

#### 23 REGISTRATION STATUS

24 4. Spencer Brown dba Rent-A-Green Box is not currently registered to sell  
25 franchises in the state of Washington and has not previously been so registered.

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

2 CONCLUSIONS OF LAW

3 1. The offer (or sale) of franchise described above constitutes the offer or sale of  
4 a franchise as defined in RCW 19.100.010(4) and RCW 19.100.010(16).

5 2. The offer or sale of said franchise is in violation of RCW 19.100.020 because no  
6 registration for such offer or sale is on file with the Securities Administrator.

7 3. The offer (or sale) of the above-described franchise was made in violation of  
8 RCW 19.100.080, the disclosure document requirement provision of the Franchise Investment  
9 Protection Act, because Respondent did not provide the prospective Washington purchasers with  
10 a Franchise Disclosure Document (FDD) that contained all material information about the  
11 franchise including, but not necessarily limited to, a financial statement for the seller.  
12

13 4. The offer and/or sale of the above-described franchise was made in violation of  
14 RCW 19.100.170, the anti-fraud provision of the Franchise Investment Protection Act, because  
15 Respondent did not provide the prospective Washington purchasers with material information  
16 about the franchise.

17 NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST

18 Based on the above Tentative Findings of Fact and Conclusions of Law, the Securities  
19 Administrator intends to order that Spencer Brown dba Rent-A-Green Box, and his agents and  
20 employees, each cease and desist from violations of RCW 19.100.020, RCW 19.100.080 and  
21 RCW 19.100.170.  
22

23 AUTHORITY AND PROCEDURE

24 This Statement of Charges is entered pursuant to the provisions of RCW 19.100.248 and  
25 RCW 19.100.130 and is subject to the provisions of RCW 34.05. Spencer Brown dba Rent-A-

1 Green Box, may make a written request for a hearing as set forth in the NOTICE OF  
2 OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this  
3 Statement of Charges.

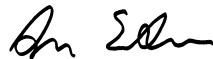
4 If the Respondent does not request a hearing, the Securities Administrator intends to  
5 adopt the above Tentative Findings of Fact and Conclusions of Law as final and enter a  
6 permanent order to cease and desist as to the Respondent.  
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8 Dated and Entered this 20th day of November, 2009.

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11 \_\_\_\_\_  
12 Michael E. Stevenson  
13 Securities Administrator

14 Approved by:

15 

16 Suzanne Sarason  
17 Chief of Enforcement

18 Presented by:

19 

20 Brad Ferber  
21 Financial Legal Examiner

22 Reviewed by:

23 

24 Martin Cordell  
25 Financial Legal Examiner Supervisor