1 STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS 2 **SECURITIES DIVISION** 3 IN THE MATTER OF DETERMINING) Order Number S-09-208-09-SC01 4 Whether there has been a violation of the Franchise Investment Protection Act of **CORRECTED** STATEMENT OF CHARGES AND NOTICE Washington by: 6 OF INTENT TO ENTER ORDER TO CEASE AND DESIST 7 Garage Floor Coating Franchise System, Inc. and Robert Hanson, 8 Respondents) 9 THE STATE OF WASHINGTON TO: Garage Floor Coating Franchise System, Inc. 10 Robert Hanson 11 STATEMENT OF CHARGES 12 13 Please take notice that the Securities Administrator of the State of Washington has reason 14 to believe that Respondents, Garage Floor Coating Franchise System, Inc. (hereinafter identified 15 as "Garage Floor Coating") and Robert Hanson (Hanson) have each violated the Franchise 16 Investment Protection Act of Washington, RCW 19.100, and that their violations justify the entry 17 of an order of the Securities Administrator under RCW 19.100.248 against each to cease and 18 desist from such violations. The Securities Administrator finds as follows: 19 TENTATIVE FINDINGS OF FACT 20 **PARTIES** 21 1 Garage Floor Coating is a Nevada corporation with its principal place of business 22 in Phoenix, Arizona. 23 2 Robert Hanson is the President and Chief Executive Officer of Garage Floor 24 Coating. 25 DEPARTMENT OF FINANCIAL INSTITUTIONS STATEMENT OF CHARGES AND NOTICE OF Securities Division INTENT TO ENTER ORDER TO CEASE AND DESIST PO Box 9033

Olympia, WA 98507-9033

360-902-8760

STATEMENT OF CHARGES AND NOTICE OF INTENT TO ENTER ORDER TO CEASE AND DESIST

NATURE OF THE OFFERING

Garage Floor Coating is the seller of an opportunity involving concrete coating utilizing, in part, a polyurethane coating to beautify and protect concrete against weathering, cracking, oil and chemicals. This is marketed primarily through Internet advertising and a Web page which features information about the coating process and solicits persons to contact the company about becoming franchisees of the business. Persons who sign "Franchise Agreements" with Garage Floor Coatings are obligated to pay a \$35,000 initial application/franchise fee for a single territory, a 6.5% per month royalty fee, and are entitled use of Garage Floor Coating's trade name, service marks, or trademarks, as well as to receive training, an operations manual and ongoing marketing assistance and materials. During at least early 2007, at least two Washington residents signed franchise agreements for businesses to be located in Washington.

4. Robert Hanson offered, sold, and executed the above-mentioned franchise agreements with the Washington purchasers in his capacity of President and Chief Executive Officer on behalf of Garage Floor Coating.

REGISTRATION STATUS

5. Garage Floor Coating is not currently registered to sell its franchises in the state of Washington and has not previously been so registered.

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

CONCLUSIONS OF LAW

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

1	2. The offer or sale of said franchise is in violation of RCW 19.100.020 because
2	no registration for such offer or sale is on file with the Securities Administrator.
3	NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST
4	Based on the above Tentative Findings of Fact and Conclusions of Law, the Securities
5	Administrator intends to order that Garage Floor Coating Franchise System, Inc. and Robert
6	Hanson, their agents and employees each shall cease and desist from violations of RCW
7	19.100.020.
8	AUTHORITY AND PROCEDURE
10	This Order is entered pursuant to RCW 19.100.248 and is subject to the provisions of
11	RCW 34.05. Garage Floor Coating Franchise System, Inc. and Robert Hanson, may each make a
12	written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND
13	AND OPPORTUNITY FOR HEARING accompanying this order.
14	If a Respondent does not request a hearing, the Securities Administrator intends to adopt
15	the above Tentative Findings of Fact and Conclusions of Law as final and enter a permanent
16	order to cease and desist as to that Respondent.
17	•
18	Dated and Entered this 19th day of February, 2010.
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22	Suzanne Sarason Chief of Enforcement
23 24	
25	Presented by:
-	STATEMENT OF CHARGES AND NOTICE OF 3 DEPARTMENT OF FINANCIAL INSTITUTIONS

Fort Ferlow

Brad Ferber Financial Legal Examiner

STATEMENT OF CHARGES AND NOTICE OF INTENT TO ENTER ORDER TO CEASE AND DESIST

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