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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

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IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Franchise Investment Protection Act of
Washington by:

Order Number S-11-0789-11-CO01

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Renue Systems Development Corp., Inc.,
formerly known as (f/k/a)
National Appeal Development Corp., Inc.,

Respondent.

CONSENT ORDER

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division of the Department of Financial Institutions (“Securities Division”) and Respondent, Renue Systems Development Corp., Inc., formerly known as National Appeal Development Corp., Inc., do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondent, Renue Systems Development Corp., Inc. neither admits nor denies the Findings of Fact and Conclusions of Law stated below.

FINDINGS OF FACT

I. Respondent

Respondent Renue Systems Development Corp., Inc., formerly known as National Appeal Development Corp., Inc., is an Illinois corporation whose principal place of business is in Addison, Illinois. Respondent is in the commercial carpet and upholstery cleaning, restoration, and maintenance business.

II. Nature of the Offering

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2 In approximately November 2009, Respondent Renue Systems Development Corp., Inc., formerly
3 known as National Appeal Development Corp., offered and sold a National Appeal franchise in the state of
4 Washington to one of its existing franchisees in California, Investor A. Respondent granted Investor A a
5 license to use the National Appeal names and marks and to offer the National Appeal carpet and upholstery
6 cleaning, restoration and maintenance services in the state of Washington. Investor A paid the Respondent
7 a franchise fee of \$20,000, of which \$15,000 was financed by National Appeal. Investor A was obligated
8 to pay Respondent an ongoing monthly royalty fee of 10% of his gross sales. Respondent provided Investor
9 A with ongoing marketing and training assistance and advisory services.
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11 In approximately May 2011, a Virginia resident, Investor B, responded to an online advertisement
12 for a Renue Systems Development Corp., Inc. franchise and contacted the company. Investor B had a
13 number of telephone conversations with Respondent's representatives about the purchase of a franchise.
14 Respondent Renue Systems Development Corp., Inc. provided Investor B with the company's 2010
15 franchise disclosure document. Respondent Renue Systems Development Corp., Inc. offered Investor B a
16 franchise in Washington, contingent, in part, on the Respondent registering its offer of franchises in
17 Washington. The terms of the offer included an initial fee of \$39,500 and a 10% royalty/commission on
18 revenue. Respondent Renue Systems Development Corp. offered to provide Investor B with a license to
19 use its names and marks, an initial training program, equipment, supplies, and ongoing advisory services.
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III. Failure To Deliver Offering Circular

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22 In connection with the offer and sale of the National Appeal franchise for Washington, Respondent
23 Renue Systems Development Corp., Inc., formerly known as National Appeal Development Corp. did not
24

1 provide Investor A with a disclosure document or offering circular as required by RCW 19.100.080 that
2 contained the information about the franchise required by RCW 19.100.040.

3 **IV. Registration Status**

4 Respondent Renue Systems Development Corp., Inc., formerly known as National Appeal
5 Development Corp., is not currently registered to offer or sell franchises in the state of Washington and
6 has not previously been so registered.

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

8 **CONCLUSIONS OF LAW**

9 **I.**

10 The offer and/or sale of the franchises described above constitute the offer and/or sale of a
11 franchise as defined in RCW 19.100.010(16) and RCW 19.100.010(4).
12

13 **II.**

14 The offer and/or sale of said franchises were in violation of RCW 19.100.020 because no
15 registration for such offer and/or sale is on file with the Securities Administrator.
16

17 **III.**

18 The offer and/or sale of said franchises was made in violation of RCW 19.100.080 because
19 Respondent did not provide Investor A with a disclosure document or offering circular required under
20 RCW 19.100.040 prior to the sale of the franchise.
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CONSENT ORDER

3 Based upon the foregoing:

4 IT IS AGREED AND ORDERED that Respondent Renue Systems Development Corp., Inc. and its
5 agents and employees each shall cease and desist from offering or selling franchises in violation of RCW
6 19.100.020, the registration section of the Franchise Investment Protection Act.

7 IT IS FURTHER AGREED AND ORDERED that Respondent Renue Systems Development
8 Corp., Inc. and its agents and employees each shall cease and desist from violating RCW 19.100.080, the
9 delivery of offering circular section of the Franchise Investment Protection Act.

10 IT IS FURTHER AGREED that Respondent shall reimburse the Securities Division \$1,200,
11 payable prior to the entry of this Consent Order, for its costs of investigation of this matter.

12 IT IS FURTHER AGREED that Respondent Renue Systems Development Corp., Inc. enters into
13 this Consent Order freely and voluntarily and with a full understanding of its terms and significance.

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

15 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Renue Systems
16 Development Corp., Inc. waives its rights to a hearing in this matter and judicial review of this order.
17

18 SIGNED this 28th day of September 2011

19 Respondent Renue Systems Development Corp., Inc., by

20 _____
21 /s/
Signature of Signer, Title

22 Print Name and Title David J. Grossman, President

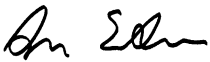
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2 SIGNED and ENTERED this 30th day of September, 2011

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6 _____
7 WILLIAM M. BEATTY
8 Securities Administrator

9 Approved by:

Presented by:

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12 _____
13 SUZANNE SARASON
14 Chief of Enforcement

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16 MARTIN CORDELL
17 Financial Legal Examiner

18 Reviewed by:

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20 _____
21 ROBERT KONDRAT
22 Financial Legal Examiner Supervisor