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

IN THE MATTER OF DETERMINING ) Order No. S-13-1184-13-SC01  
Whether there has been a violation of the )  
Franchise Investment Protection Act of ) STATEMENT OF CHARGES AND NOTICE OF INTENT  
Washington by: ) TO ENTER ORDER TO CEASE AND DESIST  
)  
Stephen Christopher Petersen, Charles Jason Price, )  
and CAC Enterprises, Inc. d.b.a. Mr. Clean A Can. )  
)  
Respondents. )

THE STATE OF WASHINGTON TO: Stephen C. Petersen, Charles J. Price, and CAC Enterprises,  
Inc. d.b.a. Mr. Clean A Can

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator for the state of Washington has reason to believe that Respondents, Stephen C. Petersen, Charles J. Price, and CAC Enterprises, Inc. d.b.a. Mr. Clean A Can have each violated the Franchise Investment Protection Act of Washington, RCW 19.100, and that their violations justify the 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. Parties**

1. CAC Enterprises, Inc. (CAC Enterprises), d.b.a. Mr. Clean A Can, is a Kentucky corporation whose principal place of business is in Nicholasville, Kentucky.
2. Stephen C. Petersen is the CEO and COO of CAC Enterprises.
3. Charles J. Price is the Franchise Marketing Officer of CAC Enterprises.

**II. Nature of the Offering**

4. CAC Enterprises is in the business of offering Mr. Clean A Can franchises to develop and operate a business that cleans residential garbage carts and/or commercial waste and recycling containers. The company offered franchises through its website and those of third parties. The total investment necessary to begin operation of a Mr. Clean A Can Cleaning franchise ranged from \$126,450.00 to \$202,950.00. This included \$27,500.00 to \$37,500.00 that must be paid to the franchisor or affiliate. CAC Enterprises offered an Area Development Agreement to develop more than on Mr. Clean A Can Cleaning franchise, for which it charged a development fee of \$11,250.00, multiplied by the number of Mr. Clean A Can Cleaning franchises to be operated.

5. In December, 2011, CAC Enterprises offered and sold a Washington State couple a Mr. Clean A Can

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

1 business to be operated in Bellevue, Washington. CAC Enterprises provided the couple an agreement in which it  
2 granted them the right to use the Mr. Clean A Can business format, methods, procedures, standards and  
3 specifications, trademarks, service marks and commercial symbols. The couple paid CAC Enterprises or its affiliate  
4 \$55,500 for a CAC Core Clean –Car Cleaning Truck and a \$12,500 Training Fee. In addition, CAC Enterprises billed  
5 the couple a 5% Office Fee, 8% Business Support fee, 1% Marketing fee, and a 4% Credit Card fee on the couple’s  
6 cleaning accounts. CAC Enterprises posted a link on its website advertising the couple as a Mr. Clean A Can service  
7 provider and provided information about the grand opening and other specials. CAC Enterprises provided the couple  
8 with access to CAC Enterprises granted the couple an exclusive territory in which to operate their Mr. Clean A Can  
9 business. Under the agreement, CAC Enterprises retained the right to designate the computer hardware, software and  
10 related equipment to be used in the business. CAC Enterprises provided an operations manual with its mandatory and  
11 suggested specifications, standards, operating procedures and rules. CAC Enterprises maintained a call center with a  
12 toll free number that routed potential customer calls to the couple. CAC Enterprises handled all billing and collection  
13 for customers on behalf of the couple.

### 11 **III. Failure to Provide Franchise Disclosure Document**

12 6. Respondents, Charles J. Price, Stephen C. Petersen, and CAC Enterprises, Inc., did not provide the  
13 Washington purchasers with a franchise disclosure document with material information about the company,  
14 including, but not limited to financial statements.

### 15 **IV. Anti-Fraud Violations**

16 7. Respondents did not disclose to its Washington purchasers material information about the prospective  
17 business opportunity such as information about a predecessor entity, USA Franchising, LLC, going out of business  
18 and the ownership of Charles J. Price in Best Waste Solutions, a company which sold the Washington purchasers a  
19 cleaning truck.

### 20 **IV. Registration Status**

21 1. Respondents, Charles J. Price, Stephen C. Petersen, and CAC Enterprises, Inc., are not currently  
22 registered to sell its franchises in the state of Washington and has not previously been so registered. On October, 20,  
23 2011, CAC Enterprises filed a franchise registration application with the Securities Division, failed to complete its  
24 application and withdrew its application for registration on February 15, 2011.

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

3 **CONCLUSIONS OF LAW**

4 **I.**

5 The offer or sale of franchises described above constitute the offer and/or sale of a franchise as defined in  
6 RCW 19.100.010(6), RCW 19.100.010(12), and RCW 19.100.010(17).

7 **II.**

8 The offer or sale of said franchise is in violation of RCW 19.100.020 because no registration for such offer  
9 and/or sale by Respondents was on file and effective with the Securities Administrator for the time periods when  
10 offers and/or sales occurred.

11 **III.**

12 The offer and/or sale of said franchises were in violation of RCW 19.100.080, the disclosure document  
13 requirement provision of the Franchise Investment Protection Act, because Respondents failed to provide prospective  
14 purchasers with a Franchise Disclosure Document that contained all material information about the franchise  
15 including, but not necessarily limited to, a financial statement for the seller.

16 **IV.**

17 The offer and/or sale of said franchises were in violation of RCW 19.100.170, the anti-fraud provision of the  
18 Franchise Investment Protection Act, because Respondents failed to provide prospective purchasers with material  
19 information relating to a predecessor entity going out of business and the ownership of a CAC Enterprises officer in  
20 a company which sold the purchasers a cleaning truck.

21 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

22 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator  
23 intends to order that Stephen C. Petersen, Charles J. Price, and CAC Enterprises, Inc., their agents and employees  
24 each shall cease and desist from violations of RCW 19.100.020, RCW 19.100.080 and RCW 19.100.170.

25 **AUTHORITY AND PROCEDURE**

This Order is entered pursuant to the provisions of RCW 19.100.248 and RCW 19.100.130 and is subject to  
the provisions of Chapter 34.05 RCW. Stephen C. Petersen, Charles J. Price, and CAC Enterprises, Inc., may each  
make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND  
OPPORTUNITY FOR HEARING accompanying this order. If a respondent does not request a hearing within the

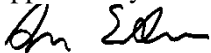
1 allowed time, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of  
2 Law as final and enter an order to cease and desist permanent as to that respondent.

3 Signed and Entered this 21th day of November, 2013.

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6 William M. Beatty  
7 Securities Administrator

8 Approved by:



9  
10 Suzanne Sarason  
11 Chief of Enforcement

  
12 Martin Cordell  
13 Financial Legal Examiner

14 Reviewed by:



15 Jack McClellan  
16 Financial Legal Examiner Supervisor