

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING)
5 Whether there has been a violation of the)
6 Franchise Investment Protection Act of) Order No. S-15-1651-15-SC01
7 Washington by:)
8 Donald Charles Sukin, a.k.a. Don Sukin and) STATEMENT OF CHARGES AND NOTICE OF INTENT
9 d.b.a. MBA Business Brokers) TO ENTER ORDER TO CEASE AND DESIST
10 Respondent.)

11 THE STATE OF WASHINGTON TO: Donald Charles Sukin d.b.a. MBA Business Brokers

12 **STATEMENT OF CHARGES**

13 Please take notice that the Securities Administrator for the state of Washington has reason to believe that
14 Respondent Donald Charles Sukin (“Sukin”) d.b.a. MBA Business Brokers has violated the Franchise Investment
15 Protection Act of Washington, RCW 19.100, and that his violations justify the entry of an order of the Securities
16 Administrator under RCW 19.100.248 against him to cease and desist from such violations. The Securities
17 Administrator finds as follows:

18 **TENTATIVE FINDINGS OF FACT**

19 **Respondent**

20 1. Donald Charles Sukin is a former real estate agent, real estate license number 43471, who was
21 licensed in the state of Washington from 1994 to 2010 and whose principal places of business was located in Pierce
22 County. From 2013 to 2014, Sukin did business as MBA Business Brokers, an unincorporated entity.

23 **Nature of the Conduct**

24 2. Prior to 2011, Sukin was introduced to and represented purchasers and sellers of Subway franchised
25 restaurants as a licensed real estate agent. Sukin ceased being a licensed real estate agent after 2010. Some of the
26 Subway store purchasers and sellers were referred to Sukin by the local area representative of Subway while others
27 were repeat clients or referred by others. From 2013 to 2014, the local Subway area representative provided many
28 prospective purchasers with a “Subway Stores For Sale List.” The list contained the store franchise number, address

1 and contact person. Don Sukin was listed as the contact person for substantially all of the Subway stores listed for
2 sale. In addition to showing prospective purchasers Subway restaurants that were for sale, Sukin offered to provide
3 post-sale assistance to franchise buyers such as training. In the course of assisting purchasers and sellers with the
4 negotiations and purchase of the Subway restaurants, Sukin requested certain purchasing clients to make payments to
5 him or third parties in advance of the closing of the restaurant purchase. These payments were for earnest money
6 deposits, rent or lease deposits, franchise transfer fees, and taxes. In several instances, Sukin did not use the money for
7 the purposes that he stated to franchise buyers or as the buyers intended.

8 Investor A

9 3. In 2013, Sukin assisted Investor A and his family members with the proposed purchase of three
10 Subway stores in Pierce County. Investor A is a Washington resident who was referred to Sukin by the local Subway
11 representative. In connection with the purchase of the stores, Sukin instructed Investor A to pay him directly for
12 earnest money deposits, taxes and franchise transfer fees associated with the purchases. Sukin represented that he
13 would be making these payments to the sellers of the Subway restaurant, Pierce County and Subway respectively.
14 Investor A gave Sukin money orders, payable to MBA Business Brokers, for these costs for a total amount in excess
15 of \$70,000. When the proposed transactions did not timely proceed, Sukin did not use Investor A's money for the
16 purposes that he stated and he failed to return the money to Investor A. Sukin instead provided Investor A with a
17 promissory note for \$70,000. Sukin has failed to repay Investor any money on the note. Investor A and his family
18 members were required to come up with additional funds to renegotiate the purchases of the stores.

19 Investor B

20 4. In 2014, Sukin assisted Investor B, a Washington resident, with the proposed purchase of a Subway
21 store in Pierce County, Washington. Sukin instructed Investor B to make out eight cashiers' checks payable to MBA
22 Business Brokers, Sukin's d.b.a., for a total of \$32,368. Sukin represented to Investor B that the money would be used
23 for earnest money deposits to be paid to the seller, franchise transfer fee payments to be paid to Subway and tax
24 payments to Pierce County. At the end of 2014, Investor B was advised by others involved in the proposed transaction
25

1 that Sukin “had gone missing” with Investor B’s money. The proposed Subway franchise store purchase did not go
2 through and Sukin has failed to return any of the money that Investor B paid to Sukin d.b.a. MBA Business Brokers.

3 Registration Status

4 5. Respondent Donald Charles Sukin, d.b.a. MBA Business Brokerage, Inc., is not currently registered
5 as a franchise broker to offer franchises for sale in the state of Washington and has not previously been so registered.

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

7 CONCLUSIONS OF LAW

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

10 2. The offer and/or sale of said franchises were made in violation of RCW 19.100.170 because Sukin
11 misrepresented to prospective purchasers of Subway stores that money collected by Sukin would be used to pay for
12 expenses associated with the purchase of the restaurants such as earnest monies, franchise transfer fees and taxes, and
13 Sukin omitted to disclose material facts to prospective franchise restaurant purchasers, including, but not limited to
14 the refundability of monies paid to Sukin in connection with their purchases.

15 3. The offer and/or sale of said franchises were made in violation of RCW 19.100.140 because Sukin
16 offered Subway franchise stores for sale while not registered as a franchise broker.

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

18 Pursuant to RCW 19.100.248 and based upon the above Tentative Findings of Fact and Conclusions of Law,
19 the Securities Administrator intends to order that Donald Charles Sukin d.b.a. MBA Business Brokers, his agents and
20 employees each shall cease and desist from violations of RCW 19.100.140 and RCW 19.100.170.

21 AUTHORITY AND PROCEDURE

22 This Order is entered pursuant to the provisions of RCW 19.100.248 and is subject to the provisions of
23 Chapter 34.05 RCW. The respondent Donald Charles Sukin d.b.a. MBA Business Brokers may make a written
24 request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
25

1 HEARING accompanying this order. If Donald Charles Sukin does not request a hearing within the allowed time, the
2 Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and
3 enter an order to cease and desist permanent as to Donald Charles Sukin.

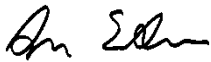
4 Signed and Entered this 10th day of November, 2015.

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7 William M. Beatty
8 Securities Administrator

9 Approved by:

Presented by:

10 

11 Suzanne Sarason
12 Chief of Enforcement

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11 Martin Cordell
12 Financial Legal Examiner

13 Reviewed by:

14 

15 Jack McClellan
16 Financial Legal Examiner Supervisor