# STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

IN THE MATTER OF DETERMINING whether there has been a violation of the Franchise Investment Protection Act of Washington by:	<ul><li>) Order No.: S-17-2116-17-CO01</li><li>) CONSENT ORDER</li><li>)</li></ul>
EquipLinx Sales & Service, LLC; Kirk Frankish,	) ) )
Respondents	)

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division and Respondents EquipLinx Sales & Service, LLC and Kirk Frankish do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondents EquipLinx Sales & Service, LLC and Kirk Frankish neither admit nor deny the Findings of Fact or Conclusions of Law as stated below.

### FINDINGS OF FACT

## Respondents

- 1. EquipLinx Sales & Service, LLC ("EquipLinx") is an Arizona limited liability company, formed on February 1, 2016, with its principal places of business in Wetaskiwin, Alberta, Canada. EquipLinx sells sales franchises for used heavy equipment such as tractors or backhoes. An EquipLinx franchisee receives the right to operate in a particular territory, using EquipLinx's sales system to assist in brokering sales of used heavy equipment. In addition to the franchisee's initial purchase price for their franchise, the franchisee and EquipLinx split the commissions from the franchisee's sales.
- 2. Kirk Frankish ("Frankish") is a resident of Wetaskiwin, Alberta, Canada, and the founder and CEO of EquipLinx.

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## Offer of Franchises in Washington

- 3. In November 2016, EquipLinx posted Craigslist advertisements in both the Seattle and Spokane sections of Craigslist, advertising franchises for purchase. EquipLinx stated in the advertisements that the company was "looking for agents" in Washington, and touted its "franchise package [which would] introduce you to the growing EquipLinx network and connect you to the reputable consistent brand that EquipLinx has built." EquipLinx further advertised its "new technology, software and marketing tools to expedite deals and opportunities."
- 4. Six people responded to EquipLinx's Craigslist advertisements (three by phone, three by email). Frankish sent an additional advertising packet to all three of the email responders. The packet included, among other things, a page with steps for becoming an Equiplinx franchisee and a "New Agent FAQ" which discussed the advantages of purchasing an EquipLinx franchise and the costs of starting a franchise.

## **Registration Status**

5. Respondent EquipLinx is not currently registered to sell its franchises in the state of Washington and has not previously been so registered. There is no notification of exemption on file with the state of Washington. EquipLinx and Frankish did not indicate to potential franchisees, in either the Craigslist advertisements or the additional advertising packet, that EquipLinx was not registered to offer or sell franchises in Washington and would need to register before doing so.

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

### **CONCLUSIONS OF LAW**

1. EquipLinx and Frankish's advertisement of franchises, as described above, constitutes the offer of a franchise as defined in RCW 19.100.010(6) and RCW 19.100.010(12).

2. The offer of said franchises was in violation of RCW 19.100.020 because no registration for such offer is on file with the Washington Securities Administrator.

#### CONSENT ORDER

Based upon the foregoing and finding it in the public interest:

IT IS AGREED AND ORDERED that Respondents Equiplinx Sales and Service, LLC; Kirk Frankish; and their agents and employees, shall each cease and desist from offering or selling franchises in violation of RCW 19.100.020, the registration section of the Franchise Investment Protection Act of the state of Washington.

IT IS FURTHER AGREED AND ORDERED that Respondents Equiplinx Sales and Service, LLC and Kirk Frankish shall be liable for and shall pay investigative costs of \$500 prior to the entry of this Consent Order.

IT IS FURTHER AGREED that this Consent Order alone will not constitute a bar to the approval of an application of Respondents Equiplinx Sales and Service, LLC and Kirk Frankish for registration to offer and sell franchises in the state of Washington.

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

IT IS FURTHER AGREED that Respondents Equiplinx Sales and Service, LLC and Kirk Frankish, enter into this Consent Order freely and voluntarily and with a full understanding of its terms and significance.

IT IS FURTHER AGREED that in consideration of the foregoing, Respondents Equiplinx Sales and Service, LLC and Kirk Frankish waive their right to a hearing and to judicial review of this matter.

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3	Signed this20th day ofJanuary	, 2017
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5	Signed by:	Approved as to form by:
6	EquipLinx Sales and Service, LLC	
7	By/s Kirk Frankish CEO	/s Elena Cottam, Attorney for Respondent Arizona State Bar #032077
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11	Signed by:	
12 13	/s Kirk Frankish, Individually	
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# SIGNED and ENTERED this 31st day of January, 2017

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5		William M. Beatty Securities Administrator
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7	Approved by:	Presented by:
9	An Elm	Odom Yeoton
10	Suzanne Sarason Chief of Enforcement	Adam N. Yeaton Financial Legal Examiner
12 13	Reviewed by:	
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15	Jack McClellan Financial Legal Examiner Supervisor	
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