1 2	STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION	
3 4 5 6	IN THE MATTER OF DETERMINING  Whether there has been a violation of the Franchise Investment Protection Act of  Washington by:  Fresh & Healthy Brands, LLC d.b.a. Go-Grill, Pure  Health, Yo-Good, and Juice Zone; Chad Charles  Parker; Juice Zone Franchising, Corp.; Cole  Parker; and Go-Grill  )	Order No. S-17-2156-17-SC01 STATEMENT OF CHARGES AND NOTICE OF INTENT TO ENTER ORDER TO CEASE AND DESIST
7 8	Respondents.	
9	THE STATE OF WASHINGTON TO:	Fresh & Healthy Brands, LLC d.b.a. Go-Grill, Pure Health, Yo-Good, and Juice Zone; Chad Charles Parker; Juice Zone Franchising, Corp.; Cole Parker; and Go-Grill
10	STATEMENT OF CHARGES	
11 12 13	Please take notice that the Securities Administrator for the state of Washington has reason to believe the Respondents, Fresh & Healthy Brands, LLC; Chad Charles Parker; Juice Zone Franchising, Corp.; Cole Parker; and Co. Crill. ("the Respondents") have each violeted the Franchise Investment Protection. Act of Washington. BCV	
14	Go-Grill, ("the Respondents") have each violated the Franchise Investment Protection Act of Washington, RC 19.100, and that their violations justify the entry of an order of the Securities Administrator under RCW 19.100.24	
	against each to cease and desist from such violations. The Securities Administrator finds as follows:	
15	TENTATIVE FINDINGS OF FACT	

# I.

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# **Parties**

- 1. Fresh & Healthy Brands, LLC is a franchiser of multiple restaurant concepts including Juice Zone, Go-Grill, Yo-Good, and Pure Health and whose principal place of business is in Langley, British Columbia.
- 2. Juice Zone Franchising, Corp. ("Juice Zone") is a Delaware corporation that markets fruit juice smoothies restaurants and whose principal place of business is in Langley, British Columbia.
- 3. Chad Charles Parker ("Chad Parker"), a British Columbia resident, is the Chief Executive Officer and President of Fresh & Healthy Brands. Chad Parker is an owner and managing member of the company.

Cole Parker is the Franchise Development Manager for Fresh & Healthy Brands, International.

### II.

# Prior Franchise Registration

4. In July, 2007, Juice Zone Franchising Corp. ("Juice Zone"), a Delaware corporation, filed a franchise application with the Securities Division to offer and sell franchises in the state. At that time, Chad Parker was the STATEMENT OF CHARGES AND NOTICE

1 DEPARTMENT OF FINANCIAL INSTITUTIONS OF INTENT TO ENTER ORDER TO
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founder, CEO, and controlling shareholder of Juice Zone. Juice Zone, Franchise Registration Number 70013829, was granted a permit to offer franchises in the state of Washington from July 20, 2007 to July, 20, 2008. Juice Zone did not renew its permit and has not been registered with the Securities Division to offer franchises in the state since 2008.

### III.

# Nature of the Offering

- 5. In or about 2011, Chad Parker, Cole Parker and Juice Zone Franchising, Corp. offered and sold a Juice Zone franchise to a Washington resident ("Resident"). Respondents Chad Parker and Juice Zone granted the Resident the right to use the Juice Zone trademarks and tradenames. Chad Parker and Juice Zone offered the Resident a franchise for an initial franchise fee of \$25,000 and a recurring royalty fee of 6% of the Resident's gross sales. Chad Parker and Juice Zone agreed to provide the resident with a franchise operations manual, and advertising methods and materials. Chad Parker and Juice Zone agreed to provide the Resident with pre- and post-opening training and assistance. Chad Parker and Juice Zone agreed to provide the Resident with consultation and advice regarding:
  - (a) selection, purchasing, stocking and display of products and services;
  - (b) formulation and implementation of advertising and promotional programs;
- (c) establishment and maintenance of administrative, bookkeeping, accounting, inventory control and general operating procedures; and
  - (d) improvements to the Juice Zone System, including new product and service development.
- 6. In or about February, 2011, Respondent Cole Parker told the Resident in an email that once the franchise agreement was signed, that Juice Zone would register and provide the Resident with "proof of registry."
- 7. In or about March, 2011, Respondent Chad Parker told the Resident in an email that he agreed to add a provision to the franchise agreement "that franchisor will register with the State of Washington."
- 8. Fresh & Healthy Brands currently states on its website that it is "now accepting franchise applications for Pure Health and Go-Grill, in these locations in North America! Plus, great opportunities exist in these U.S. states: California, Connecticut, Florida, New Jersey, New York, Texas, and Washington!"
- 9. On January 30, 2017, Respondents Chad Parker, Cole Parker and Fresh & Healthy caused to be published on the Craigslist Seattle webpage at <a href="https://seattle.craigslist.org/see/bfs/5965200732.html">https://seattle.craigslist.org/see/bfs/5965200732.html</a> an advertisement for a Go-Grill franchise for \$25,000. The advertisement stated that the opportunity was "Full Turnkey with ongoing

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support." The advertisement invited prospects to contact the company for a complete business presentation. Fresh & Healthy maintains a website at <a href="http://www.freshandhealthybrands.com">http://www.freshandhealthybrands.com</a>. On its website, Fresh & Healthy offers four franchise concepts called (1) Go-Grill, a "health food franchise with a fresh grill twist," (2) Pure Health, "made to order sandwiches, salads and soups, (3) Yo-good, "frozen yogurt," and (4) Juice Zone, "juices and smoothies."

### III.

# Registration and Franchise Application Status

10. Fresh & Healthy Brands, LLC and Juice Zone Franchising, Corp. are not currently registered to offer or sell franchises in the state of Washington. Fresh & Healthy, Brands, LLC has not previously been registered and Juice Zone Franchising, Corp. has not been registered since 2008.

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

#### CONCLUSIONS OF LAW

T.

The offer or sale of the Fresh & Healthy Brand, Juice Zone, and Go-Grill franchises described above constitute the offer and/or sale of a franchise as defined in RCW 19.100.010(6), RCW 19.100.010(12), and RCW 19.100.010(17).

II.

The Respondents Fresh & Healthy Brands, LLC d.b.a. Go-Grill, Pure Health, Yo-Good, and Juice Zone; Chad Charles Parker; Juice Zone Franchising, Corp.; Cole Parker; and Go-Grill offered and/or sold said franchises in violation of RCW 19.100.020 because no registration for such offers and sale was on file with the Securities Administrator from 2011 to present when offers or sales occurred.

#### III.

The Respondents Chad Parker, Cole Parker and Juice Zone Franchising, Corp violated RCW 19.100.170, the "Violations" section of the Franchise Investment Protection Act, because they misrepresented to a Washington resident that they would register with the State of Washington.

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

Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that, their agents and employees each shall cease and desist from violations of RCW 19.100.020 and RCW 19.100.170.

### **AUTHORITY AND PROCEDURE**

This Order is entered pursuant to the provisions of RCW 19.100.248 and is subject to the provisions of Chapter 34.05 RCW. Respondents Fresh & Healthy Brands, LLC; Chad Charles Parker; Juice Zone Franchising,

Corp.; Cole Parker; and Go-Grill 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 allowed time, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and enter an order to cease and desist permanent as to that respondent.

Signed and Entered this <u>28th</u> day of March, 2017.

William M. Beatty Securities Administrator

Presented by:

Martin Cordell

Martin Cordell Financial Legal Examiner

Suzanne Sarason Chief of Enforcement

Reviewed by:

Approved by:

Jack McClellan

Financial Legal Examiner Supervisor

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