



### Nature of Violation

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2 3. In or about March, 2017, Respondents caused to be published in the Seattle Craigslist an  
3 advertisement that offered two existing northeast Washington “Massage Envy” franchises for sale. Massage  
4 Envy, an Arizona limited liability company, was previously registered with the Securities Division to offer  
5 and sell franchises under registration permit number 70012646 and is currently offering franchises in the  
6 state under a claim of exemption, file number 80040448. In the Craigslist ad, Respondents explained that  
7 the existing Massage Envy businesses were priced at \$450,000 each and prospective purchasers were  
8 directed to go to the Respondents’ website at <http://www.franchisedevelopment.com/franchise-inquiry> to  
9 complete a franchise information request form. Respondents required the prospective franchisee to provide  
10 contact information and personal financial information such as net worth, credit score and available cash to  
11 invest. The Respondents’ state on their website that “in addition to representing almost 300 other individual  
12 franchised companies, Franchise Development, as an independent national franchise brokerage, represents  
13 existing Massage Envy franchisees (not the franchisor) who have contracted with us to help them sell their  
14 existing Massage Envy clinics and spas.” On their webpage titled “Franchise Opportunities,” Respondents  
15 state that they represent “over 250 popular brands, products and services.” Respondents invite prospective  
16 franchisees to browse for franchise opportunities in thirty different industry categories ranging from  
17 automotive to travel franchise businesses.  
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19 4. Respondents make the statement on their website at <http://franchisedevelopment.com/about-us>  
20 that “...existing Massage Envy clinics/spas average net profits of almost \$225,000 annually...” This  
21 statement is false and/or misleading. The financial performance disclosures in Item 19 of the Massage Envy  
22 franchise disclosure document provides only “net sales” information. The Massage Envy Item 19 disclosure  
23 contains the following disclaimer: “The Net Sales data does not reflect the costs of sales, operating expenses  
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1 or other costs or expenses that must be deducted from Net Sales or gross revenue figures to obtain your net  
2 income or profit.”

3 **Franchise Broker Registration Status**

4 5. Neither Respondent is currently registered as a franchise broker to offer or sell franchises in  
5 the state of Washington and neither has previously been so registered.

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

7 **CONCLUSIONS OF LAW**

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

11 2. Respondents engaged in the business of offering franchises in the state of Washington and  
12 therefore acted as franchise brokers as defined in RCW 19.100.010(7).

13 **CONSENT ORDER**

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

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16 IT IS AGREED AND ORDERED that Respondents Franchise Development, L.P. and Freddy  
17 O’Pry, and their agents and employees shall each cease and desist from offering or selling franchises in  
18 violation of RCW 19.100.140, the franchise broker registration section of the Franchise Investment  
19 Protection Act of the state of Washington.

20 IT IS FURTHER AGREED AND ORDERED that Respondents Franchise Development, L.P. and  
21 Freddy O’Pry, and their agents and employees shall each cease and desist from any violation of RCW  
22 19.100.170, the violations section of the Franchise Investment Protection Act of the state of Washington.

23 IT IS FURTHER AGREED AND ORDERED that Respondents Franchise Development, L.P. and  
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Chief of Enforcement

Financial Legal Examiner

Reviewed by:



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Jack McClellan  
Financial Legal Examiner Supervisor

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