STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

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Respondents

IN THE MATTER OF DETERMINING whether there has been a violation of the Franchise Investment Protection Act of Washington by:

Franchise Development, L.P. and Freddy O'Pry,

Order No. S-17-2189-17-CO01

CONSENT ORDER

On May 24, 2017, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intent to Issue an Order to Cease and Desist, Order No. S-17-2189-17-SC01, hereinafter referred to as the "Statement of Charges," against the Respondents Franchise Development, L.P. and Freddy O'Pry. The Securities Administrator has, in the Statement of Charges, made certain allegations and conclusions, set forth under the headings "Tentative Findings of Fact" and "Conclusions of Law." Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division and Respondents Franchise Development, L.P. and Freddy O'Pry do hereby enter into this Consent Order in settlement of the matters alleged in the Statement of Charges. Respondents Franchise Development, L.P. and Freddy O'Pry neither admit nor deny the Findings of Fact or Conclusions of Law as stated below.

FINDINGS OF FACT

Respondents

1. Franchise Development, L.P. is a Texas limited liability partnership formed in 2005 that is an independent franchise brokerage business. Its primary place of business is located in in Richmond, Texas.

2. Freddy O'Pry, a Texas resident, is the founder and managing partner of Franchise Development, L.P.

CONSENT ORDER

Nature of Violation

3. In or about March, 2017, Respondents caused to be published in the Seattle Craigslist an advertisement that offered two existing northeast Washington "Massage Envy" franchises for sale. Massage Envy, an Arizona limited liability company, was previously registered with the Securities Division to offer and sell franchises under registration permit number 70012646 and is currently offering franchises in the state under a claim of exemption, file number 80040448. In the Craigslist ad, Respondents explained that the existing Massage Envy businesses were priced at \$450,000 each and prospective purchasers were directed to go to the Respondents' website at http://www.franchisedevelopment.com/franchise-inquiry to complete a franchise information request form. Respondents required the prospective franchisee to provide contact information and personal financial information such as net worth, credit score and available cash to invest. The Respondents' state on their website that "in addition to representing almost 300 other individual franchised companies, Franchise Development, as an independent national franchise brokerage, represents existing Massage Envy franchisees (not the franchisor) who have contracted with us to help them sell their existing Massage Envy clinics and spas." On their webpage titled "Franchise Opportunities," Respondents state that they represent "over 250 popular brands, products and services." Respondents invite prospective franchisees to browse for franchise opportunities in thirty different industry categories ranging from automotive to travel franchise businesses.

4. Respondents make the statement on their website at http://franchisedevelopment.com/about-us that "...existing Massage Envy clinics/spas average net profits of almost \$225,000 annually..." This statement is false and/or misleading. The financial performance disclosures in Item 19 of the Massage Envy franchise disclosure document provides only "net sales" information. The Massage Envy Item 19 disclosure contains the following disclaimer: "The Net Sales data does not reflect the costs of sales, operating expenses

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CONSENT ORDER

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or other costs or expenses that must be deducted from Net Sales or gross revenue figures to obtain your net income or profit."

Franchise Broker Registration Status

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

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

CONCLUSIONS OF LAW

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

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

CONSENT ORDER

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

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

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

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CONSENT ORDER

IT IS FURTHER AGREED AND ORDERED that Respondents Franchise Development, L.P. and

Freddy O'Pry, shall be liable for and shall pay investigative costs of \$2,000 prior to the entry of this Consent Order.

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

IT IS FURTHER AGREED that Respondents Franchise Development, L.P. and Freddy O'Pry, 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 Franchise Development, L.P. and Freddy O'Pry waive their right to a hearing and to judicial review of this matter.

Signed this ____14th_ day of June, 2017.

Signed by: Franchise Development, L.P.

/s/ /s/ /s/ /s/ /s/ /s/ /s/ By _____

SIGNED and ENTERED this 21st day of June, 2017

William M. Beatty Securities Administrator

Approved by:

Presented by:

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Suzanne Sarason CONSENT ORDER

Martin Cordell

4

DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia WA 98507-9033 360-902-8760 Chief of Enforcement

Financial Legal Examiner

Reviewed by:

Jack McClellan Financial Legal Examiner Supervisor

CONSENT ORDER