STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

THE STATE OF WASHINGTON TO:	John Ric International Franchise LLC
Respondents	_)
Jon Ric International Franchise LLC, John R. Rando,)))
IN THE MATTER OF DETERMINING Whether there has been a violation of the Franchise Investment Protection Act of Washington by:	 Order No.: S-17-2243-17-CO01 CONSENT ORDER AND ORDER VACATING FINAL ORDER NO. S-17-2243-17-FO01

INTRODUCTION

On August 21, 2017, the Securities Administrator of the state of Washington issued Entry of Findings of Fact and Conclusions of Law and Final Order to Cease and Desist, Order No. S-17-2243-17-FO01 ("Final Order"). Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division and Respondents Jon Ric International Franchise LLC and John R. Rando do hereby enter into this Consent Order in settlement of the matters set forth in the Final Order, and as alleged below. Respondents Jon Ric International Franchise LLC and John R. Rando neither admit, nor deny the Findings of Fact and Conclusions of Law as stated below.

FINDINGS OF FACT

Respondents

1. Jon Ric International Franchise LLC ("Jon Ric"), formerly known as Jon Ric International Franchises, LLC, was a Florida entity that was formed on June 30, 2009 and had its principal place of business in Deland, Florida. Jon Ric offered and sold franchises in at least 12 states for various types of wellness spas, including medical spas, day spas, and beauty and hair salons. Jon Ric was administratively

DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia WA 98507-9033

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dissolved on September 23, 2011, but the company continued to do business. In 2016, while the company was administratively dissolved, Jon Ric offered and sold a franchise that would be located in Washington.

2. John R. Rando ("Rando") resides in Deland, Florida. Rando was a managing member of Jon Ric. Rando is also a licensed cosmetologist in the state of Florida.

Nature of the Offering

- 3. In March 2016, Jon Ric and Rando offered and sold a franchise opportunity for a spa, hair care, and nail salon that would be located in the State of Washington. In March 2016, the franchise paid a \$35,000 initial franchise fee to Jon Ric.
- 4. In March 2016, the Respondents, Jon Ric and Rando, signed an initial franchise agreement with the franchisee. Among other things, the agreement required the franchisee to pay royalty fees and cooperative advertising expenditures. The agreement required the franchisee to only sell products that were approved by Jon Ric and to purchase supplies and equipment that were approved by Jon Ric. The agreement gave the franchisee the right to use the Jon'Ric trademark and trade name in the operation of the franchised business. The agreement also required Jon Ric to provide the franchisee with initial training. However, Jon Ric and Rando never provided the initial training for the franchisee.
- 5. In February 2017, the franchisee opened a spa doing business as Jon Ric Beauty & Wellness Spa, for providing facial treatments and a hair and nail salon in Redmond, Washington.

Registration Status

- 6. Jon Ric International Franchise LLC is not currently registered to offer or sell franchises in the state of Washington and has not previously been so registered.
- 7. John R. Rando is not currently registered to offer or sell franchises in the state of Washington and has not previously been so registered.

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

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CONCLUSIONS OF LAW

1. The offer and/or sale of the opportunity described above constitutes 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).

- 2. The Respondents Jon Ric International Franchise LLC and John R. Rando have each violated RCW 19.100.020 because no registration for the offer and/or sale of the franchise was on file with the Securities Administrator.
- 3. The Respondents Jon Ric International Franchise LLC and John R. Rando have each violated RCW 19.100.170 because when offering and selling a franchise, they each made untrue statements of material fact or omitted to state a material fact necessary in order to make the statements made in light of the circumstances under which they were made not misleading. The material misrepresentations and omissions include the failure to disclose Jon Ric's administrative dissolution and the failure to provide initial training while accepting a \$35,000 initial franchise fee for the operation of a medical spa.

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

FINAL ORDER

IT IS AGREED AND ORDERED that the Respondents Jon Ric International Franchise LLC and John R. Rando, their agents and employees each shall cease and desist from any violation of RCW 19.100.020, the registration section of the Franchise Investment Protection Act of Washington.

IT IS FURTHER AGREED AND ORDERED that the Respondents Jon Ric International Franchise LLC and John R. Rando, their agents and employees each shall cease and desist from offering and/or selling securities in any manner in violation of RCW 19.100.170, the violations section of the Franchise Investment Protection Act of Washington.

1	IT IS FURTHER AGREED that the Respondents Jon Ric International Franchise LLC and John F
2	Rando each enter into this Consent Order freely and voluntarily and with a full understanding of its term
3	and significance.
4	IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Order.
5	IT IS FURTHER AGREED that in consideration of the foregoing, the Respondents, Jon Ri
6	International Franchise LLC and John R. Rando, each waive their right to a hearing and to judicial review of
7	this matter pursuant to RCW 19.100.260 and Chapter 34.05 RCW.
8	IT IS FURTHER AGREED that, in consideration of the entry of this Consent Order, the Securities
9	Division hereby vacates Final Order No. S-17-2243-17-FO1.
10	WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE
11	Signed this2nd day ofNovember, 2017
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13	Signed by:
14	Jon Ric International Franchise LLC
15	
16	John R. Rando
17	President
18	Signed by:
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20	John R. Rando, Individually
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22	Approved as to form by:
23	
	Leroy Harold Brettin Jr., Attorney for Respondents
24	Washington State Bar Association #21545
25	CONSENT ORDER 4 DEPARTMENT OF FINANCIAL INSTITUTION
	CONDENT ORDER 7 DEFARINENT OF FINANCIAL INSTITUTION

SIGNED and ENTERED this 6th day of November, 2017

1 2 3 4 5 6 7 Approved by: 8 An Elm 9 10 Suzanne Sarason Chief of Enforcement 11 Reviewed by: 12 13 14 Robert Kondrat 15 Financial Legal Examiner Supervisor 16 17 18 19 20 21 22

Million Seats

William M. Beatty Securities Administrator

Presented by:

Janet So Financial Legal Examiner

CONSENT ORDER

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