STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS

2	SECURITIES DIVISION				
3 4 5	IN THE MATTER OF DETERMINING whether there has been a violation of the Franchise Investment Protection Act of Washington by: Danielle Van Auken and OBB Organics, LLC, d.b.a. Organic Bronze Bar	Order No. S-17-2254-17-COO CONSENT ORDER			
7	Respondents.				
8	Pursuant to the Franchise Investment Prote	ection Act of Washington, RCW 19.			

100, the Securities Division and Respondents Danielle Van Auken ("Van Auken") and OBB Organics, LLC d.b.a. Organic Bronze Bar, do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondents neither admits nor denies the Findings of Fact or Conclusions of Law as stated below.

FINDINGS OF FACT

Respondents

- 1. OBB Organics, LLC ("OBB") is an Oregon limited liability company formed on May 7, 2015 with its principal place of business in Portland, Oregon. OBB is in the business of operating and franchising tanning salons.
- 2. Danielle A. Van Auken, a Washington resident, is the founder, owner and managing member of OBB.

Franchise Offers and Sales

3. In early 2016, Van Auken and OBB began marketing franchises for sale to Washington residents through advertising on its webpage at http://organicbronzebar.com, a sign posted in its Vancouver, Washington location, personal meetings, by email, and by telephone communications. Van Auken and OBB offered prospective purchasers the right to operate a tanning salon using its trade names and marks. Van CONSENT ORDER 1

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Auken and OBB offered prospective purchasers assistance with finding store locations, lease negotiations and buildout of stores. Van Auken and OBB offered to provide purchasers training to provide tanning services and assist with marketing strategies. Van Auken and OBB offered its franchise opportunity for a franchise fee of \$32,000, plus an 8% royalty on franchise gross revenues.

Purchasers A

- 4. In early 2016, Van Auken posted a sign advertising the franchise opportunity at her Vancouver Mall shop. Van Auken met with a Washington couple ("Purchasers A"), who were customers at the shop and who had seen the sign, to discuss the purchase of an OBB franchise. Van Auken explained to them the proposed franchise opportunity and told Purchasers A that a location was making \$150,000 a year. Van Auken offered Purchasers A the right to use the OBB names and marks, training on how to apply spray tans and training on how to operate the business.
- 5. Van Auken sold Purchasers A an OBB franchise and did not provide them with a Franchise Disclosure Document ("FDD"). Van Auken charged Purchasers A an initial franchise fee of \$32,000 plus a monthly royalty of 8% of gross revenues that were to be deferred for the first three months.

Purchasers B

6. In 2016, Van Auken met with a Washington couple ("Purchasers B") to discuss the purchase of an OBB franchise after the couple responded to a flyer at her Vancouver Mall shop advertising the offer. Van Auken told Purchasers B that OBB was an up and growing company and they would be able to use its trademarks and trade names. Van Auken told Purchasers B that, in purchasing an OBB franchise, she would be providing them her expertise, consulting, assistance in setting up their store and training. Van Auken did not provide Purchasers B with an FDD. In or about May, 2016, Van Auken provided Purchasers B with a contract that obligated them to pay an initial franchise fee of \$32,000 and 8% royalties. Shortly after the contract was signed, Van Auken accepted Purchaser's B check for \$32,000.

CONSENT ORDER

Violations

7. In 2016, during the course of offering Purchasers A and B an OBB franchise, Van Auken emailed at least one of the Purchasers a spreadsheet titled "Organic Bronze Bar ProForma Income Statement" that stated an annual Gross Profit of \$143,661.94 and a net income of \$62,976.14. Van Auken failed to state in the document all of the basis and assumptions underlying the claims made to the Purchasers.

Registration Status

8. Respondent OBB 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.

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. The offer or sale of said franchises was in violation of RCW 19.100.020 because no registration for such offer or sale is on file with the Washington Securities Administrator.
- 3. The offer or sale of said franchises was in violation of RCW 19.100.080 because Van Auken and OBB failed to provide the franchisees with a franchise disclosure document prior to the sale of the franchises.
- 4. The offer or sale of said franchises was in violation of RCW 19.100.170 because Van Auken and OBB failed to provide prospective franchisees the basis and assumptions underlying the financial performance representations made in the "Pro Forma Income Statement."

CONSENT ORDER

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

IT IS AGREED AND ORDERED that Respondents Van Auken and OBB 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 Van Auken and OBB and their agents and employees shall each cease and desist from offering or selling franchises in violation of RCW 19.100.080, the disclosure document section of the Franchise Investment Protection Act of the state of Washington.

IT IS FURTHER AGREED AND ORDERED that Respondents Van Auken and OBB and their agents and employees shall each cease and desist from offering or selling franchises in violation of RCW 19.100.170, the violations sections of the Franchise Investment Protection Act of the state of Washington.

IT IS FURTHER AGREED AND ORDERED that Respondents Van Auken and OBB shall be liable for and shall pay investigative costs of \$3,125 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 Van Auken and OBB 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 Van Auken and OBB waive their right to a hearing and to judicial review of this matter.

Signed this 31st day of October,	, 2017	
Signed by OBB		Approved as to form by:
By:/s/ Danielle A. Van Auken, Managing Member		Julia Lusthaus, Attorney for Respondent
By: /s/ Danielle A. Van Auken, an individual		
CONSENT ORDER	4	DEPARTMENT OF FINANCIAL INSTIT

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6			William M.	Reatty	
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12	Suzanne Sarason Chief of Enforcement		Martin Cord Financial Le	lell egal Examiner	
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16	Jack McClellan Financial Legal Examiner Supervisor				
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