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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING ) Order No.: S-17-2349-17-CO01  
whether there has been a violation of the )  
Franchise Investment Protection Act of ) CONSENT ORDER  
Washington by: )  
Wow Wow Hawaiian Lemonade )  
Franchising, LLC; and )  
Wow Wow, Inc.; )  
Respondents )

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Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division and the Respondents Wow Wow Hawaiian Lemonade Franchising, LLC and Wow Wow, Inc. do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondents neither admit nor deny the Findings of Fact or Conclusions of Law as stated below.

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**FINDINGS OF FACT**

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**Respondents**

1. Wow Wow Hawaiian Lemonade Franchising, LLC is a Nevada limited liability company formed on November 10, 2016. Wow Wow Hawaiian Lemonade Franchising, LLC has a principal place of business in Queen Creek, Arizona. Wow Wow Hawaiian Lemonade Franchising, LLC offers franchises that sell Hawaiian-style lemonades, limeade, iced tea, and other branded merchandise. The Chief Executive Officer (CEO) of Wow Wow Hawaiian Lemonade Franchising, LLC is Todd Casselberry.

2. Wow Wow, Inc. is a Nevada corporation formed on December 4, 2015. Wow Wow, Inc. is the parent corporation of Wow Wow Hawaiian Lemonade Franchising, LLC.

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**Nature of the Conduct**

3. In January 2017, Wow Wow Hawaiian Lemonade Franchising, LLC filed an initial application to register its franchise in Washington (Franchise Registration Application File No. 70016178) pursuant to

1 Washington's Franchise Investment Protection Act.

2 4. As part of its franchise application, Wow Wow Hawaiian Lemonade Franchising, LLC  
3 submitted its proposed Franchise Disclosure Document (FDD), which disclosed that prior to the date of its  
4 application, its parent corporation, Wow Wow Inc., previously entered into a written licensing agreement with  
5 a married couple that resided in Kirkland, Washington.

6 5. Under the terms of an agreement that was entered on March 14, 2016, the Washington residents  
7 had the right to operate a café and retail location in Kirkland, Washington and use the company's intellectual  
8 property, including its trademarks and service marks. The agreement specified that the Washington residents  
9 could use the Wow Wow Lemonade System, which included methods and procedures for preparing and  
10 serving beverage and food products; beverage and food menu items; confidential recipes and recipe training;  
11 a manual containing current operating procedures; and marketing, advertising, and promotional techniques  
12 and materials. The company also agreed to provide advertising and marketing support, a Brand Book, branded  
13 merchandise, and menu and recipe training.

14 6. Under the five-year agreement, the Washington residents were to required to pay a \$25,000  
15 fee, an annual administration fee of \$1,000, and quarterly royalty fees of three percent (3%) of gross sales.  
16 The Respondents did not provide the Washington residents with a Franchise Disclosure Document for this  
17 transaction.  
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19 7. In September 2016, the Washington residents entered into a similar five-year licensing  
20 agreement for another retail location in Palm Springs, California region. Under the agreement, the  
21 Washington residents were required to pay a \$20,000 fee, an annual administration fee of \$1,000, and  
22 quarterly royalty fees of 2.5% of gross sales. The Respondents did not provide the Washington residents with  
23 a Franchise Disclosure Document for this transaction.  
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## Registration Status

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2 8. Respondents Wow Wow Hawaiian Lemonade Franchising, LLC and Wow Wow, Inc. are not  
3 currently registered to sell franchises in the state of Washington and have not previously been so registered.  
4 There is no notification of exemption on file with the state of Washington. In January 2017, Wow Wow  
5 Hawaiian Lemonade Franchising, LLC filed a franchise registration application with the Washington  
6 Securities Division. To date, the franchise registration application has not been approved.

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

### CONCLUSIONS OF LAW

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

12 2. The offer or sale of said franchises was in violation of RCW 19.100.020 because no  
13 registration for such offer or sale is on file with the Securities Administrator.

14 3. The offer or sale of said franchises was in violation of RCW 19.100.080 because the  
15 Respondents failed to provide the franchisees with a franchise disclosure document prior to the sale of the  
16 franchises.  
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### CONSENT ORDER

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

20 IT IS AGREED AND ORDERED that Respondents Wow Wow Hawaiian Lemonade Franchising,  
21 LLC and Wow Wow, Inc. and their agents and employees shall each cease and desist from offering or selling  
22 franchises in violation of RCW 19.100.020, the registration section of the Franchise Investment Protection  
23 Act of the state of Washington.  
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1 IT IS FURTHER AGREED AND ORDERED that Respondent Wow Wow Hawaiian Lemonade  
2 Franchising, LLC and Wow Wow, Inc., and their agents and employees shall each cease and desist from any  
3 violation of RCW 19.100.080, the franchise disclosure document section of the Franchise Investment  
4 Protection Act of the state of Washington.

5 IT IS FURTHER AGREED AND ORDERED that Respondent Wow Wow Hawaiian Lemonade  
6 Franchising, LLC and Wow Wow, Inc., shall be jointly liable for and shall pay investigative costs of \$500  
7 prior to the entry of this Consent Order.

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

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10 IT IS FURTHER AGREED that Respondents Wow Wow Hawaiian Lemonade Franchising, LLC and  
11 Wow Wow, Inc., each enter into this Consent Order freely and voluntarily and with a full understanding of  
12 its terms and significance.

13 IT IS FURTHER AGREED that in consideration of the foregoing, Respondents Wow Wow Hawaiian  
14 Lemonade Franchising, LLC and Wow Wow, Inc. waives its right to a hearing and to judicial review of this  
15 matter.

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17 Signed this 1st day of March, 2018

18 Signed by:

19 Wow Wow, Inc.

Approved as to from by:

20  
21 By /s/  
22 Todd Casselberry  
CEO

/s/  
Matthew J. Kreutzer, Attorney for Respondents

23 Wow Wow Hawaiian Lemonade Franchising, LLC

24 By /s/  
25 Todd Casselberry  
CEO

CONSENT ORDER

1  
2 SIGNED and ENTERED this 13th day of March, 2018



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William M. Beatty  
Securities Administrator

Approved by:

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Suzanne Sarason  
Chief of Enforcement

Presented by:

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Robert Kondrat  
Financial Legal Examiner Supervisor

