STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

IN THE MATTER OF DETERMINING)	Order No.: S-18-2418-18-FO01
Whether there has been a violation of the)	
Franchise Investment Protection Act of)	ENTRY OF FINDINGS OF FACT AND
Washington:)	CONCLUSIONS OF LAW AND FINAL ORDER
)	TO CEASE AND DESIST
Kwench Juice Franchising Inc.,)	
)	
Respondent.)	
-)	

INTRODUCTION

On May 1, 2018, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, S-18-2418-18-SC01, ("Statement of Charges"), against the Respondent Kwench Juice Franchising Inc. The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing ("Notice of Opportunity for Hearing"), and an Application for Adjudicative Hearing ("Application for Hearing"), was served on the Respondent on May 7, 2018.

The Notice of Opportunity for Hearing advised the Respondent that a written application for an administrative hearing on the Statement of Charges must be received within twenty days from the date of receipt of the notice. The Statement of Charges advised the Respondent that if a hearing was not requested, the Securities Administrator intends to adopt the "Tentative Findings of Fact" and "Conclusions of Law," as set forth in the Statement of Charges, as final, and enter a final order against the Respondent to cease and desist from violations of the Franchise Investment Protection Act.

The Respondent Kwench Juice Franchising Inc. failed to request an administrative hearing within twenty days of receipt of the Statement of Charges and Notice of Opportunity for Hearing, either on the Application for Hearing provided or otherwise. The Securities Administrator therefore will adopt as final the

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findings of fact and conclusions of law as set forth in the Statement of Charges and enter a final order against the Respondent to cease and desist from violations of the Franchise Investment Protection Act.

FINDINGS OF FACT

Respondent

1. Kwench Juice Franchising Inc. ("Kwench Juice") was incorporated in Massachusetts on July 22, 2015 and has a principal place of business in Boston, Massachusetts. Kwench Juice operates a cafe in Boston under the trade name Kwench Juice Cafe, which features juices and fruit smoothies.

Prior Enforcement Order

2. On October 31, 2016, the State of Rhode Island, Department of Business Regulation, issued an Order to Cease and Desist against Kwench Juice Franchising Inc. and its President, Christos Gregoris. The State of Rhode Island alleged that Kwench Juice Franchising Inc. offered an unregistered franchise to residents of Rhode Island. On February 13, 2017, the State of Rhode Island entered into a Consent Agreement with Kwench Juice Franchising Inc. and Christos Gregoris.

Franchise Offer in Washington

- 3. Between at least February 22 and March 28, 2018, Kwench Juice posted an advertisement on Craigslist that offered Kwench Juice Cafe franchises for sale. The advertisement was targeted to the Spokane, Washington area.
- 4. For an initial fee, Kwench Juice offered prospective purchasers the right to own and operate a cafe under the Kwench Juice Cafe trade name. A single franchise was available for a fee of \$19,500, or three franchises were available for a fee of \$29,500. The advertisement claims that Kwench Juice provides all assistance in opening the purchaser's cafe, including assistance in securing a location and negotiating the lease. Prospective purchasers were invited to call the President of Kwench Juice for further information.

5. The Kwench Juice website generally advertises the sale of Kwench Juice Cafe franchises. On its website, Kwench Juice claims that franchisees receive training on the operation of their cafe, guidance on the purchase of inventory and supplies, and suggestions for menu prices. Kwench Juice further states on its website that franchisees are required to pay a royalty of 4% of weekly gross sales.

Registration Status

6. Respondent Kwench Juice Franchising Inc. 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 of the opportunity described above constitutes the offer of a franchise as defined in RCW 19.100.010(6) and RCW 19.100.010(12).
- 2. The offer of this franchise is in violation of RCW 19.100.020 because Kwench Juice Franchising Inc. is not registered to offer or sell its franchises in Washington State.

FINAL ORDER

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

IT IS HEREBY ORDERED that the Respondent Kwench Juice Franchising Inc., and its agents and employees, shall cease and desist from violation of RCW 19.100.020, the registration section of the Franchise Investment Protection Act of Washington.

AUTHORITY AND PROCEDURE

This Final Order is entered pursuant to the provisions of RCW 19.100.248, and is subject to the provisions of Chapter 34.05 RCW. The Respondent has the right to petition the superior court for judicial

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review of this agency action under the provisions	of RCW 34.05. For the requirements for filing a Petition for
Judicial Review, see RCW 34.05.510 and sections	s following.
Signed and Entered this <u>14th</u> day of <u>June</u> 2018.	
	Million Seats
	William M. Beatty Securities Administrator
Approved by:	Presented by:
An Elm	Bridgett Fisher
Suzanne Sarason Chief of Enforcement	Bridgett Fisher Financial Legal Examiner
Reviewed by:	
KK	
Robert Kondrat Financial Legal Examiner Supervisor	