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

IN THE MATTER OF DETERMINING ) Order No. S-18-2418-18-SC01  
Whether there has been a violation of the )  
Franchise Investment Protection Act of ) STATEMENT OF CHARGES AND  
Washington by: ) NOTICE OF INTENT TO ENTER  
 ) ORDER TO CEASE AND DESIST  
Kwench Juice Franchising Inc., )  
 )  
Respondent. )

**THE STATE OF WASHINGTON TO: Kwench Juice Franchising Inc.**

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator for the state of Washington has reason to believe that the Respondent Kwench Juice Franchising Inc. has violated the Franchise Investment Protection Act of Washington, RCW 19.100. This violation justifies the entry of an order of the Securities Administrator against Kwench Juice Franchising Inc. to cease and desist from such violation pursuant to RCW 19.100.248. The Securities Administrator finds as follows:

**TENTATIVE 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

1 of Rhode Island. On February 13, 2017, the State of Rhode Island entered into a Consent Agreement with  
2 Kwench Juice Franchising Inc. and Christos Gregoris.

3 Franchise Offer in Washington

4 3. Between at least February 22 and March 28, 2018, Kwench Juice posted an advertisement on  
5 Craigslist that offered Kwench Juice Cafe franchises for sale. The advertisement was targeted to the Spokane,  
6 Washington area.

7 4. For an initial fee, Kwench Juice offered prospective purchasers the right to own and operate a  
8 cafe under the Kwench Juice Cafe trade name. A single franchise was available for a fee of \$19,500, or three  
9 franchises were available for a fee of \$29,500. The advertisement claims that Kwench Juice provides all  
10 assistance in opening the purchaser's cafe, including assistance in securing a location and negotiating the  
11 lease. Prospective purchasers were invited to call the President of Kwench Juice for further information.

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

16 Registration Status

17 6. Respondent Kwench Juice Franchising Inc. is not currently registered to sell its franchises in  
18 the state of Washington and has not previously been so registered. There is no notification of exemption on  
19 file with the state of Washington.

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

21 **CONCLUSIONS OF LAW**

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

3 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

4 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator  
5 intends to order that Kwench Juice Franchising Inc., and its agents and employees, shall each cease and desist  
6 from violation of RCW 19.100.020.

7 **AUTHORITY AND PROCEDURE**


8 This Order is entered pursuant to the provisions of RCW 19.100.248 and is subject to the provisions  
9 of Chapter 34.05 RCW. Kwench Juice Franchising Inc. may make a written request for a hearing as set forth  
10 in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying  
11 this order. If the Respondent does not request a hearing within the allowed time, the Securities Administrator  
12 intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and enter an order to  
13 cease and desist as to the Respondent.  
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15 Signed and Entered this 1st day of May 2018.

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18 William M. Beatty  
19 Securities Administrator

20 Approved by:

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22 \_\_\_\_\_  
23 Suzanne Sarason  
24 Chief of Enforcement

20 Presented by:

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23 Bridgett Fisher  
24 Financial Legal Examiner

Reviewed by:

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4 Robert Kondrat  
5 Financial Legal Examiner Supervisor  
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