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

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Order No.: S-19-2603-20-FO01

ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF LAW AND FINAL ORDER TO CEASE AND DESIST

IN THE MATTER OF DETERMINING Whether there has been a violation of the

Patrick Lawrence Kane d/b/a Asveris,

Respondent.

THE STATE OF WASHINGTON TO:

Franchise Investment Protection Act of

Washington by:

Patrick Lawrence Kane

On January 8, 2020, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, Order No. S-19-2603-20-SC01 ("Statement of Charges"). The Statement of Charges, together with a Notice of Opportunity for Hearing ("Notice") and an Application for Adjudicative Hearing ("Application"), were served on Respondent Patrick Lawrence Kane d/b/a Asveris (Kane), on January 14, 2020. The Notice advised Respondent Kane that the Application must be received within twenty days from the date of service. Respondent Kane failed to request an administrative hearing within twenty days of service.

The Securities Administrator therefore adopts as final the following Findings of Fact and Conclusions of Law as set forth in the Statement of Charges and enters a final order against Respondent Kane to cease and desist from violations of the Franchise Investment Protection Act.

# FINDINGS OF FACT

# **Respondents**

Kane resides in Seattle, Washington. Kane describes himself as a "serial entrepreneur," and 1. operates his business under the name "Asveris." Asveris is not incorporated with the Washington Secretary of State or registered with the Washington State Department of Revenue.

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2. Under the Asveris name, Kane is in the business of creating personal asset inventories for clients to facilitate full recovery in the event of an insurance claim. Kane also offers appraisal, digital scanning and storage, and asset liquidation services.

# **Registration Status**

3. Respondent Kane is not currently registered to sell 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.

#### **Nature of the Conduct**

- 4. In 2017, Kane began advertising online the sale of two businesses on his website: a "Jewelry Buying Business Opportunity" and a "Business in a Box" package (collectively, "the Asveris offering"). Kane priced one at \$1995.00 and the other at \$9,995.00, but considered them to be identical.
- 5. In exchange for this fee, Kane would provide the purchaser with training, equipment, support, and marketing to purchase and resell jewelry and precious metals. Kane's training consisted of public YouTube links, guidance on how to price products, and ongoing troubleshooting. Kane created graphics for purchasers of the Asveris offering to use in advertising their services under the Asveris name.
- 6. Kane marketed the Asveris offering on various social media and product listing websites, directing the advertisement to areas in Washington, California, Texas, Florida, and New York. Kane posted these advertisements between 10 and less than 100 times during the Asveris offering period.
- 7. In these advertisements, Kane represented the Asveris offering as a profitable opportunity. Kane represented that a purchaser could receive between \$500.00 to \$900.00 an hour using his training and systems. Kane also guaranteed 150% margins on sales by purchasers. In another advertisement on his website, Kane represented that purchasers could earn more than \$100,000.00 in a year. Kane did not

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provide a basis for those representations, and did not plan to remedy shortfalls if purchasers did not meet their guaranteed margins.

- 8. Kane expected to sell the Asveris offering to people with little experience in the jewelry industry. Purchasers could buy the Asveris offering on the website without any previous communication with Kane. Once purchased, purchasers would then schedule a meeting with Kane to fulfill their purchase.
- 9. As a result of his advertisements, Kane received communications from prospective buyers, but has represented that he has not made any sales.

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

# **CONCLUSIONS OF LAW**

- 1. The offer of packages as 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 said packages was in violation of RCW 19.100.020 because no registration for such offer is on file with the Washington Securities Administrator.
- 3. The offer of said packages was in violation of RCW 19.100.170 because Kane failed to provide a basis for the financial representations he made in promotions for the Asveris offering.

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

# FINAL ORDER

IT IS HEREBY ORDERED that Respondent Kane, and his 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.

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IT IS FURTHER ORDERED that Respondent Kane, and his agents and employees, shall each cease and desist from violating RCW 19.100.170, the anti-fraud section of the Franchise Investment Protection Act of the State of Washington.

# **AUTHORITY AND PROCEDURE**

This ORDER is entered pursuant to RCW 19.100.248 and is subject to the provisions of Chapter 34.05 RCW. Respondents have the right to petition the superior court for judicial review of this agency action under the provisions of Chapter 34.05 RCW. For the requirements for judicial review, see RCW 34.05.510 and sections following.

# WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

William M. Beatty

SIGNED and ENTERED this 11th day of February, 2020.

Securities Administrator

Approved by: Presented by:

Suzanne Sarason
Chief of Enforcement
Patrick Stickney
Financial Legal Examiner

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Reviewed by:

Jack McClellan

Financial Legal Examiner Supervisor

ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF LAW AND FINAL ORDER TO CEASE AND DESIST