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# STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

IN THE MATTER OF DETERMINING Whether there has been a violation of the Franchise Investment Protection Act of Washington by:

Patrick Lawrence Kane d/b/a Asveris,

Respondent.

Order No.: S-19-2603-20-SC01

STATEMENT OF CHARGES AND NOTICE OF INTENT TO ENTER ORDER TO CEASE AND DESIST

THE STATE OF WASHINGTON TO:

Patrick Lawrence Kane

## STATEMENT OF CHARGES

Please take notice that the Securities Administrator for the State of Washington has reason to believe that Respondent, Patrick Lawrence Kane d/b/a Asveris, has violated the Franchise Investment Protection Act of Washington, RCW 19.100, and that his violations justify the entry of an order of the Securities Administrator under RCW 19.100.248 to cease and desist from such violations. The Securities Administrator finds as follows:

# TENTATIVE FINDINGS OF FACT

# Respondents

- 1. Kane resides in Seattle, Washington. Kane describes himself as a "serial entrepreneur," and 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.
- 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.

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

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- 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 Tentative 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.

# NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST

Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Patrick Lawrence Kane d/b/a Asveris, and his agents and employees, each shall cease and desist from violations of RCW 19.100.020 and RCW 19.100.170.

## **AUTHORITY AND PROCEDURE**

This Order is entered pursuant to the provisions of RCW 19.100.248 and is subject to the provisions of Chapter 34.05 RCW. Patrick Lawrence Kane d/b/a Asveris may make a written request for a hearing as set forth in the Notice of Opportunity for Hearing accompanying this Order. If the respondent does not

1	request a hearing within the allowed time, the Securities Administrator intends to adopt the above Tentative	
2	Findings of Fact and Conclusions of Law as final and enter a permanent order to cease and desist as to the	
3	respondent.	
4	GIGNED TENEDED 11: 04	1 61 2020
5	SIGNED and ENTERED this <u>8th</u>	day of January, 2020.
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7		Mille Meats
8		William M. Beatty
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10	Approved by:	Presented by:
11 12	An Elm	Ad Ay
13	Suzanne Sarason	Patrick Stickney
14	Chief of Enforcement	Financial Legal Examiner
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