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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:

Muchas Gracias Franchising LLC;

Respondent

Order No.: S-19-2757-19-CO01

CONSENT ORDER

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division and Respondent Muchas Gracias Franchising LLC do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondent Muchas Gracias Franchising LLC neither admits nor denies the Findings of Fact or Conclusions of Law as stated below.

**FINDINGS OF FACT**

**Respondent**

1. Muchas Gracias Franchising LLC is a Washington limited liability company formed on February 10, 2003. The principal office address of Muchas Gracias Franchising LLC is in Vancouver, Washington. Muchas Gracias Franchising LLC offered and sold Mexican restaurant franchises in Washington and Oregon that operate under the name “Muchas Gracias Mexican Food.” The CEO and owner of Muchas Gracias Franchising LLC is Rodolfo Sanchez (a/k/a Rodolfo Sanchez De La Torre, hereinafter “Sanchez”), a resident of Vancouver, Washington.

**Related Entity**

2. Muchas Gracias Franchisor Corporation is a Washington corporation formed on August 18, 2015 with a principal place of business in Vancouver, Washington. Sanchez is the President and CEO of Muchas Gracias Franchisor Corporation.

CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

1 **Nature of the Conduct**

2 3. Between 1996 and the present, Sanchez opened more than 30 Muchas Gracias Mexican Food  
3 restaurants in Oregon and Washington. Most of the restaurants in Washington are located in the Vancouver  
4 area. Sanchez personally owned multiple restaurants, and helped open other restaurants that were owned and  
5 operated by his family members and friends.

6 4. In September 2006, Sanchez executed Franchise Agreements with the operators of seven  
7 restaurants, which included himself, his brother, his daughter, and a family friend. No initial franchisee fee  
8 was charged and franchisees received a Uniform Franchise Offering Circular (UFOC).

9 5. On June 14, 2007, Muchas Gracias Franchising LLC filed an initial franchise registration  
10 application (DFI File No. 70013807) with the Securities Administrator. Muchas Gracias Franchising LLC  
11 disclosed Sanchez's prior offer and sale of franchises. In August 2007, the Securities Division staff spoke to  
12 the attorney representing Muchas Gracias Franchising LLC and requested additional information. The  
13 Securities Division made additional attempts to gather information in 2007 and 2009, but did not receive a  
14 response. The Securities Division closed the registration application in 2010 and did not issue a permit to  
15 Muchas Gracias Franchising LLC.

16 6. Muchas Gracias Franchising LLC continued to open new restaurants with family members and  
17 a family friend and executed additional franchise agreements in September 2007, February 2008, and January  
18 2009. Franchisees received a Uniform Franchise Offering Circular (UFOC).

19 7. On November 12, 2018, Muchas Gracias Franchisor Corporation filed a franchise registration  
20 application (DFI File No. 70016641) with the Securities Administrator. Muchas Gracias Franchisor  
21 Corporation later provided the Securities Division with documents and additional information concerning the  
22 prior offer and sale of franchises in the state of Washington by Muchas Gracias Franchising LLC.  
23

1  
2 **Registration Status**

3 8. Respondent Muchas Gracias Franchising LLC is not currently registered to sell franchises in  
4 the state of Washington and has not previously been so registered. There is no notification of exemption on  
5 file with the state of Washington. As described above, on November 12, 2018, Muchas Gracias Franchisor  
6 Corporation filed a franchise registration application with the Washington Securities Division. To date, that  
7 franchise registration application has not yet been approved.

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

9 **CONCLUSIONS OF LAW**

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

15 **CONSENT ORDER**

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

17 IT IS AGREED AND ORDERED that Respondent Muchas Gracias Franchising LLC and their agents  
18 and employees shall each cease and desist from offering or selling franchises in violation of RCW 19.100.020,  
19 the registration section of the Franchise Investment Protection Act of the state of Washington.

20 IT IS FURTHER AGREED AND ORDERED that Respondent Muchas Gracias Franchising LLC  
21 shall be liable for and shall pay investigative costs of \$1,000 prior to the entry of this Consent Order.

22 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.  
23

1 IT IS FURTHER AGREED that Respondent Muchas Gracias Franchising LLC enters into this  
2 Consent Order freely and voluntarily and with a full understanding of its terms and significance.

3 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Muchas Gracias  
4 Franchising LLC waives its right to a hearing and to judicial review of this matter.

5  
6 Signed this 23rd day of September, 2019


7  
8 Signed by:  
9 Muchas Gracias Franchising LLC

10 By /s/  
11 Rodolfo Sanchez  
12 CEO


13 -----  
14 SIGNED and ENTERED this 27th day of September, 2019

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16  
17 \_\_\_\_\_  
18 William M. Beatty  
19 Securities Administrator

20 Approved by:  
21 

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

Presented by:  
24 

25 \_\_\_\_\_  
Robert Kondrat  
Financial Legal Examiner