

1  
2  
3  
4  
5  
6  
7  
8

**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:

David Lopez,  
Dental Fix Rx, LLC,

Respondents.

Order No.: S-19-2776-20-CO01

CONSENT ORDER

9 Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities  
10 Division and Respondents David Lopez and Dental Fix Rx, LLC do hereby enter into this Consent Order  
11 in settlement of the matters alleged herein. Respondents David Lopez and Dental Fix Rx, LLC neither admit  
12 nor deny the Findings of Fact or Conclusions of Law as stated below.

13  
14

**FINDINGS OF FACT**

15  
16  
17

**Respondents**

1. Dental Fix Rx, LLC (Dental Fix) is a Florida entity formed on June 28, 2009, with its principal  
place of business in Davie, Florida. Dental Fix franchises its mobile dental equipment repair concept to  
franchisees nationwide.

2. David Lopez (Lopez) is a resident of Davie, Florida. Lopez was the chief executive officer  
and is a co-founder of Dental Fix. Lopez was the chief executive officer of Froots Franchising Companies,  
Inc. (Froots) another franchisor, from December 2001 to February 2010. In 2009, Froots entered into a  
consent order with the Virginia Division of Securities and Retail Franchising for failing to register its  
franchise offering and failing to provide a financial disclosure document (FDD) to prospective franchisees.

23  
CONSENT ORDER

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

1 **Conduct**

2 3. Dental Fix has been registered with the Securities Division to offer and sell franchises in  
3 Washington since August 17, 2010. Dental Fix sold a franchise to a Washington resident in July 2014.

4 4. As part of its franchise offering, Dental Fix engaged a franchise broker through a franchise  
5 broker network. Dental Fix agreed to pay the franchise broker network the higher of 40% of all franchise  
6 fees paid to it by the franchisor or \$20,000.00, plus a \$1,000.00 marketing and administrative fee, for all  
7 franchise sales facilitated by the franchise broker. Dental Fix also signed a separate representation  
8 agreement with the franchise broker to act as an advisor and receive compensation for selling Dental Fix’s  
9 franchise offering. The Dental Fix franchise broker was held out as the “director of sales” for Dental Fix,  
10 and communicated about Dental Fix’s franchise offering using a Dental Fix email address.

11 5. The Washington resident first received information about Dental Fix at a franchise seminar  
12 hosted by the Small Business Association. The Washington resident corresponded with the franchise broker  
13 to receive more information, and traveled to Dental Fix headquarters for an on-site visit to learn more about  
14 the franchise prior to buying. During this sales process, Dental Fix made financial performance  
15 representations to the Washington resident outside of those contained in the FDD.

16 6. As part of registering their franchises to offer and sell in Washington, franchisors file the FDD  
17 with the Securities Division. Franchisors have the option to make financial performance representations in  
18 the FDD to potential franchisees. Franchisors must have a reasonable basis and written substantiation for  
19 these claims, and must present the information in a way so that their representations are not misleading.

20 7. Alternatively, a franchisor can elect not to include financial performance representations in  
21 the FDD, but it cannot then make financial performance representations to prospective franchisees except  
22 for providing the actual operating results of a particular franchise to potential purchasers of that franchise.

23 8. Dental Fix elected to not provide financial performance representations in its FDD.

1           9.     Despite this election, Dental Fix made financial performance representations related to the  
2 hourly rate franchisees could charge, the frequency of service calls franchisees would schedule, and the  
3 gross revenue franchisees could potentially make. Dental Fix represented to the Washington resident that  
4 he could bill \$200.00 an hour for his services, and that Dental Fix would schedule five to six service calls  
5 for him a day. Dental Fix directed the Washington resident to an article and posted another article on its  
6 website where Lopez made similar claims.

7           10.    Additionally, Dental Fix made a gross revenue claim to the Washington resident through an  
8 individual represented by Dental Fix to the resident to be an independent Dental Fix franchisee. This  
9 franchisee was a franchisee, but was paid a biweekly salary by Dental Fix during the period in which he  
10 made the financial performance representation to the Washington resident. Additionally, this franchisee  
11 was the “Vice President for Technical Management” for Dental Fix until approximately 2011. Dental Fix  
12 had also previously presented this franchisee specifically to the Washington resident as a franchisee to talk  
13 to during his due diligence investigation. Part of the Washington resident’s on-site visit included a “ride-  
14 along” with this Dental Fix employee. This Dental Fix franchisee informed the Washington resident that  
15 his monthly average revenues were \$36,000.00 a month, and that his revenues in his highest-earning month  
16 were \$45,000.00.

17           11.    Beyond constituting an unauthorized financial performance representation, Dental Fix did not  
18 qualify the representation by the Dental Fix franchisee to the Washington resident by including information  
19 about his previous experience in the industry or that his territory was different than that assigned to the  
20 average franchisee.

21           12.    The Washington resident decided to buy a Dental Fix franchise and signed his franchise  
22 agreement shortly after his on-site visit. He did not learn of the Dental Fix franchisee’s full affiliation with  
23 Dental Fix until sometime in 2015.



1 IT IS FURTHER AGREED AND ORDERED that Respondents Dental Fix and Lopez, and their  
2 agents and employees, shall each cease and desist from any violation of RCW 19.100.170, the violations  
3 section of the Franchise Investment Protection Act of Washington.

4 IT IS FURTHER AGREED that Respondents Dental Fix and Lopez shall be liable for and shall pay  
5 investigative costs of \$5,156.25 prior to the entry of this Consent Order.

6 IT IS FURTHER AGREED that Respondent Dental Fix shall send a copy of this Order, along with  
7 an offer of rescission (“Offer”), to the franchisee who purchased a franchise in Washington, prior to the  
8 entry of this Order. The Washington franchisee will have thirty (30) days to accept the Offer. If the  
9 Washington franchisee accepts the Offer, Respondent Dental Fix will pay the \$30,000 initial franchise fee  
10 to the Washington franchisee within sixty (60) days of such acceptance, with \$15,000 being paid within  
11 thirty (30) days and the remaining \$15,000 prior to the expiration of the sixty (60) days. Nothing in this  
12 Order shall preclude any franchisee from pursuing any other remedy to which the franchisee may be  
13 entitled.

14 IT IS FURTHER AGREED that Respondent Dental Fix shall provide the Securities Division proof it  
15 sent a copy of this Order and Offer to the Washington franchisee, prior to the entry of this Order.

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

17 IT IS FURTHER AGREED that Respondents Dental Fix and Lopez enter into this Consent Order  
18 freely and voluntarily and with a full understanding of its terms and significance.

19 IT IS FURTHER AGREED that in consideration of the foregoing, Respondents Dental Fix and Lopez  
20 waive their right to a hearing and to judicial review of this matter.

21  
22 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

Signed this 15th day of April, 2021.

Signed by:

Approved as to form by:

Dental Fix Rx, LLC

By /s/  
David Lopez  
Chief Executive Officer

/s/  
Kaari Gagnon, Attorney for Respondent  
Florida Bar Association No. 46106

Signed by:

/s/  
David Lopez  
Individually

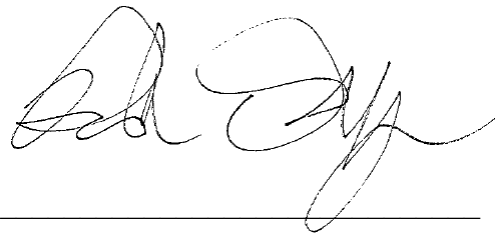
SIGNED and ENTERED this 3rd day of June, 2021.



William M. Beatty  
Securities Administrator

Approved by:

Presented by:



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

Suzanne Sarason  
Chief of Enforcement  
Reviewed by:

Patrick Stickney  
Financial Legal Examiner



---

Jack McClellan  
Financial Legal Examiner Supervisor