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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:

Smart Wash Franchise, LLC,
Anthony Abboud,

Respondents.

Order No. S-19-2796-21-CO01

CONSENT ORDER

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Pursuant to the Franchise Investment Protection Act of Washington, Chapter 19.100 RCW, the Securities Division and Respondents Smart Wash Franchise, LLC and Anthony Abboud do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondents Smart Wash Franchise, LLC and Anthony Abboud neither admit nor deny the Findings of Fact or Conclusions of Law as stated below.

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FINDINGS OF FACT

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Respondents

1. Smart Wash Franchise, LLC (Smart Wash) was a Washington limited liability company that was formed on May 2, 2016 and most recently became inactive on October 3, 2019. Smart Wash's principal place of business was King County, Washington. Smart Wash was in the business of offering and selling franchises in a mobile vehicle detailing business called Smart Wash Detailing.

2. Anthony Abboud (Abboud) was a resident of King County, Washington between at least January 2015 and about June 2019, when he moved to California. Abboud was the owner of Smart Wash and the member manager of Smart Wash Detailing, LLC.

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CONSENT ORDER

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

1 **Related Party**

2 3. Smart Wash Detailing, LLC (Smart Wash Detailing) was a Washington limited liability
3 company that was formed on January 16, 2015 and became inactive on July 1, 2016. Smart Wash Detailing
4 was in the business of mobile vehicle detailing.

5 **Nature of the Conduct**

6 *Overview*

7 4. Between at least December 2017 and September 2019, Smart Wash offered franchises on
8 Smart Wash Detailing’s website. In the offer, Smart Wash stated that Smart Wash Detailing was a “detailing
9 franchise” that provided “others with the opportunity to achieve financial independence while creating jobs.”
10 The offer also stated that franchisees would receive training and support from Smart Wash Detailing. Smart
11 Wash offered the franchises nationwide, including to residents of Washington State.

12 5. When Smart Wash and Abboud offered the franchises, they failed to provide prospective
13 franchisees with a franchise disclosure document, and they failed to disclose material information about the
14 franchise.

15 *The Offer and Sale of a Franchise*

16 6. In or around February 2019, a Washington resident responded to Smart Wash’s franchise offer.
17 At the time, there were Smart Wash Detailing franchises located in Boston, Massachusetts; Monrovia,
18 California; Portland, Oregon; and Seattle, Washington. Abboud told the Washington resident that he ran the
19 Seattle location, and that Abboud was looking for someone to take it over because he was moving to
20 California. The Washington resident agreed to purchase the Seattle franchise from Abboud and Smart Wash.

21 7. In or around February 2019, Abboud sent the Washington franchisee a franchise agreement.
22 The franchisee reviewed the agreement but did not sign it. Abboud and Smart Wash did not provide the
23 Washington franchisee with a franchise disclosure document.

1 8. On or before April 3, 2019, the Washington franchisee made a \$15,000 deposit towards the
2 purchase of the Seattle Smart Wash Detailing franchise. In return for paying the deposit, the Washington
3 franchisee received uniforms with the Smart Wash Detailing trademarked logo as well as additional marketing
4 services. The Washington franchisee also received access to the Seattle franchise's two vehicles, a van and a
5 smart car that were wrapped with the Smart Wash Detailing logo. The Washington franchisee also received
6 access to the Seattle franchise's clients and vehicle detailing supplies.

7 9. Shortly after the Washington franchisee paid the \$15,000 deposit, he was provided with a list
8 of additional costs associated with purchasing the Seattle franchise. These costs totaled approximately
9 \$80,000 and included the two vehicles, equipment such as generators and a steamer, website development,
10 and a \$6,100 "franchise registration fee."

11 10. In early May 2019, the Washington franchisee began providing mobile detailing services to
12 the Seattle franchise's clients.

13 11. On May 16, 2019, the Washington franchisee made an additional payment of \$19,300 to Smart
14 Wash. The franchisee understood that the purpose of these funds was to purchase the Seattle franchise's van
15 from Smart Wash. The franchisee requested the title for the van from Abboud but did not receive it.

16 12. Shortly after wiring the \$19,300 to Smart Wash, the Washington franchisee purchased an
17 industrial steamer to be installed in the van. At Abboud's recommendation, the Washington franchisee
18 purchased the steamer from a company in Portland, Oregon and had it installed there. The cost of the industrial
19 steamer and its installation totaled about \$22,900.

20 13. Between May and September 2019, while the van was in Portland, the Washington franchisee
21 continued to provide mobile vehicle detailing to clients using the smart car.

22 14. In or around September 2019, shortly after the franchisee retrieved the van from Portland, the
23 van was repossessed from the Washington franchisee's property. Because the industrial steamer was attached

1 to the vehicle, it was repossessed with the van. Abboud and Smart Wash failed to disclose to the franchisee
2 that Abboud, Smart Wash, and/or Smart Wash Detailing were behind on payments for the van. They also
3 failed to disclose that the van, and anything attached to it, could be repossessed.

4 15. Shortly after the van was repossessed, the Washington franchisee stopped providing mobile
5 vehicle detailing services and requested that Abboud and Smart Wash return his funds. In April 2020, the
6 Washington franchisee filed a civil lawsuit against Abboud, Smart Wash and Smart Wash Detailing for return
7 of his funds. In November 2020, the lawsuit was dismissed after the parties entered into an agreement.

8 **Registration Status**

9 16. Respondent Smart Wash Franchise, LLC is not currently registered to sell its franchises in the
10 state of Washington and has not previously been so registered. There is no notification of exemption on file
11 with the state of Washington.

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

13 **CONCLUSIONS OF LAW**

14 1. The offer and/or sale of the Smart Wash Detailing franchises as described above constitutes
15 the offer and/or sale of a franchise as defined in RCW 19.100.010(6), RCW 19.100.010(12), and RCW
16 19.100.010(17).

17 2. Respondents Smart Wash Franchise, LLC and Anthony Abboud violated RCW 19.100.020,
18 the franchise registration section of the Franchise Investment Protection Act, by offering and selling franchises
19 for which no registration is on file with the Securities Administrator.

20 3. Respondents Smart Wash Franchise, LLC and Anthony Abboud violated 19.100.080, the
21 disclosure document requirement section of the Franchise Investment Protection Act, by selling a franchise
22 without providing a prospective purchaser with a current franchise disclosure document.
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1 4. Respondents Smart Wash Franchise, LLC and Anthony Abboud violated RCW 19.100.170,
2 the antifraud section of the Franchise Investment Protection Act, by making untrue statements of material fact
3 or omitting to state material facts necessary to make the statements made, in light of the circumstances in
4 which they were made, not misleading.

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CONSENT ORDER

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

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IT IS AGREED AND ORDERED that Respondents Smart Wash Franchise, LLC and Anthony
9 Abboud, and their agents and employees, shall each cease and desist from violating RCW 19.100.020, the
10 franchise registration section of the Franchise Investment Protection Act.

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IT IS FURTHER AGREED AND ORDERED that Respondents Smart Wash Franchise, LLC and
12 Anthony Abboud, and their agents and employees, shall each cease and desist from violating RCW
13 19.100.080, the disclosure document requirement section of the Franchise Investment Protection Act.

14

IT IS FURTHER AGREED AND ORDERED that Respondents Smart Wash Franchise, LLC and
15 Anthony Abboud, and their agents and employees, shall each cease and desist from violating RCW
16 19.100.170, the antifraud section of the Franchise Investment Protection Act

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IT IS FURTHER AGREED AND ORDERED that Respondents Smart Wash Franchise, LLC and
18 Anthony Abboud shall be jointly and severally liable for and shall pay investigative costs of \$800 prior to the
19 entry of this Consent Order.

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IT IS FURTHER AGREED that Respondents Smart Wash Franchise, LLC and Anthony Abboud enter
21 into this Consent Order freely and voluntarily and with a full understanding of its terms and significance.

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

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CONSENT ORDER

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

1 IT IS FURTHER AGREED that, in consideration of the foregoing, Respondents waive right to a
2 hearing and to judicial review of this matter pursuant to RCW 19.100.260 and Chapter 34.05 RCW.

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4 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE**

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7 Signed this 20th day of September, 2021

8 Signed by:
9 Smart Wash Franchise, LLC

Signed by:

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11 /s/

Anthony Abboud, Owner

/s/

Anthony Abboud, Individually

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14 SIGNED and ENTERED this 30th day of September, 2021

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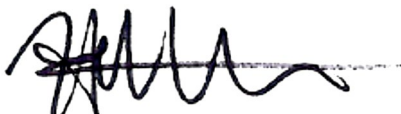
17 _____
18 William M. Beatty
Securities Administrator

19 Approved by:

Presented by:

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22 _____
23 Suzanne Sarason
Chief of Enforcement



Holly Mack-Kretzler
Financial Legal Examiner

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Reviewed by:



Brian Guerard
Financial Legal Examiner Supervisor