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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:

SECOND WIND SPORTS, INC.,

Respondent.

Order No. S-22-3374-22-CO01

CONSENT ORDER

9 Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100 (the "Act"), the
10 Securities Division and Respondent Second Wind Sports, Inc. do hereby enter into this Consent Order in
11 settlement of the matters alleged herein. Respondent neither admits nor denies the Findings of Fact or
12 Conclusions of Law as stated below.

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FINDINGS OF FACT

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Respondent

17 1. Second Wind Sports, Inc. ("Second Wind") is a Montana corporation with its primary place of
18 business in Bozeman, Montana. Second Wind offers retail and consignment store franchises where the
19 franchisee sells quality used and new sporting and outdoor goods, equipment, and accessories. On September
20 24, 2021, Second Wind filed an application for registration of its franchise offering with the Securities
21 Division.

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CONSENT ORDER

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

1 **Nature of the Conduct**

2 *Unregistered Franchise Offer*

3 1. The Respondent, Second Wind, offered to sell a franchise without registration to a
4 Washington resident (the "Franchisee") knowing that they were planning on opening a franchise in
5 Spokane, Washington.

6 2. In January 2021, the Franchisee contacted Second Wind and began discussing Second
7 Wind's franchise opportunity.

8 3. On February 1, 2021, Second Wind and the Franchisee signed a non-disclosure agreement.
9 Second Wind provided a Franchise Disclosure Document to the Franchisee soon after the non-disclosure
10 agreement was entered.

11 4. On May 13, 2021, the Franchisee formed a Washington Corporation in preparation for
12 opening a franchise location in Washington.

13 5. On November 4, 2021, Second Wind stated to the Securities Division that the Franchisee has
14 executed a commercial lease in preparation to open a store site this fall.

15 *Registration*

16 6. The Respondent, Second Wind, is not currently registered and has not been registered to
17 offer and sell franchises in the State of Washington.

18
19 Based upon the above Findings of Fact, the following Conclusions of Law are made:

20 **CONCLUSIONS OF LAW**

21 1. The offer of the Second Wind franchise described above constitutes the offer of a franchise as
22 defined in RCW 19.100.010(6) and RCW 19.100.010(12).
23

1 2. The offer of said franchise was in violation of RCW 19.100.020 because no registration for
2 such offer or sale was in effect with the Washington Securities Administrator.

3 **CONSENT ORDER**

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

5 IT IS AGREED AND ORDERED that Respondent Second Wind Sports, Inc., and their agents and
6 employees, shall each cease and desist from any violation of RCW 19.100.020, the franchise registration
7 section of the Franchise Investment Protection Act of Washington.

8 IT IS FURTHER AGREED AND ORDERED that Respondent Second Wind Sports, Inc. shall be
9 liable for and shall pay investigative costs of \$1,000 prior to the entry of this Consent Order.

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

12 IT IS FURTHER AGREED that the Respondent enters into this Consent Order freely and
13 voluntarily and with a full understanding of its terms and significance.

14 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent waives their right to a
15 hearing and to judicial review of this matter

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17 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

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1 Signed this 5th day of August, 2022.

2 Signed by:
3 Second Wind Sports, Inc.

Approved as to form by:

4 _____
5 /s/
6 Print Name: Brad Baumann
7 Title: Owner

_____ /s/
Guy Alsentzer
Attorney for Respondent

8 SIGNED and ENTERED this 23rd day of August, 2022.

9 /s/

10 _____
11 William M. Beatty
12 Securities Administrator



13
14
15 Approved by:

Presented by:

16 _____
17 /s/
18 Brian J. Guerard
19 Chief of Enforcement

_____ /s/
Luke Park
Financial Legal Examiner

20 Reviewed by
21 /s/

22 _____
23 Holly Mack-Kretzler
Financial Legal Examiner Supervisor

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Securities Division
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