STATE OF WASHINGTON 1 DEPARTMENT OF FINANCIAL INSTITUTIONS **SECURITIES DIVISION** 2 IN THE MATTER OF DETERMINING 3 Order No. S-23-3620-23-CO01 Whether there has been a violation of the Franchise Investment Protection Act of CONSENT ORDER AND 4 Washington by: ORDER REVOKING FRANCHISE EXEMPTION 5 Always Faithful Dog Training, Inc. and Abraham Mashal. 6 Respondents 7 Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities 8 9 Division and Respondents Always Faithful Dog Training, Inc. and Abraham Mashal do hereby enter into this 10 Consent Order in settlement of the matters alleged herein. Respondents Always Faithful Dog Training, Inc. and Abraham Mashal neither admit nor deny the Findings of Fact or Conclusions of Law as stated below. 11 FINDINGS OF FACT 12 13 Respondents 14 1. Always Faithful Dog Training, Inc. ("Always Faithful") is an Illinois corporation organized on 15 June 28, 2016 with its principal place of business in St. Charles, Illinois. It is in the business of offering 16 franchises to own and operate a leadership-based dog training and behavior modification support services 17 business. 2. 18 Abraham Mashal ("Mashal") is the founder and president of Always Faithful Dog Training, 19 Inc. 20 **Nature of Conduct** 21 3. Prior to July 13, 2023, Always Faithful and Mashal provided a Washington resident 22 ("Resident") with a copy of the Always Faithful franchise disclosure document ("FDD") dated March 23, 23 2023. The FDD is the document required to be provided to prospective franchisees in Washington and

CONSENT ORDER

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discloses the material information about the investment such as the franchisor's audited financial statements, DEPARTMENT OF FINANCIAL INSTITUTIONS **Securities Division** PO Box 41200 Olympia, WA 98504-1200

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FRANCHISE EXEMPTION

investment risks, fees, and cost information that may assist in weighing the risks and benefits of the investment. In their FDD, Always Faithful and Mashal represented that they would provide Resident with:

1. the right to use the company's trademarks, service marks and other commercial symbols; 2. guidance and assistance in the operation of the business; 3. a computer system; and 4. training in exchange for an initial franchise fee and ongoing royalty fees of 8% of monthly gross revenues.

- 4. Always Faithful and Mashal provided the Resident an FDD that stated on its cover page that the estimated cost of the initial investment ranged from \$64,000 to \$80,000. The cover page also stated that these figures included \$64,000 that would be paid to Always Faithful unless the buyer was eligible for a reduced fee. In contrast, the FDD's "Estimated Initial Investment" disclosure section stated that the total estimated initial investment could range from \$66,500 to \$78,600.
- 5. Always Faithful and Mashal represented to the Resident in the FDD that from 2019 to 2022, its franchisees had achieved an average monthly ranging from a low of \$3,117 a month to a high of \$27,862 a month without disclosing material information to the Resident such as: 1. The number of outlets included or excluded from the averages in each year; (2) the median monthly revenue for the outlets; and (3) the disclosure did not include the required admonition that a new franchisee's individual financial results may differ from the result stated in the financial performance representations.

Registration and Exemption Status

- 6. Respondents Always Faithful and Mashal are not currently registered to offer and sell franchises in the state of Washington and have not previously been so registered.
- 7. On or about June 22, 2023, Always Faithful and Mashal filed an Annual Notice of Claim of Exemption from Franchise Registration form ("exemption filing"), file number 80083007, with the Securities Division. Always Faithful and Mashal represented in their exemption filing that they were claiming an exemption from having to register the offering of Always Faithful franchises based, in part, on the following

facts: 1. It would provide prospective purchasers with an FDD that complied with state law; 2. The minimum CONSENT ORDER

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DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division

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initial investment by the franchisee is more than \$100,000; and 3. That it had a net worth of \$1,000,000. Mashal signed the Always Faithful exemption filing that included an acknowledgement that he had read the document and knew that its contents to be true.

8. The Securities Division issued a Franchise Exemption Acknowledgement to Mashal and Always Faithful Dog Training, Inc. on July 10, 2023 that expires on July 10, 2024.

False or Misleading Filing

9. Always Faithful and Mashal made an untrue statement of a material fact in their franchise exemption application by representing that the minimum investment was more than \$100,000.

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

CONCLUSIONS OF LAW

- 1. The offer and/or sale of franchises as described above constitutes the offer or sale of a franchise as defined in RCW 19.100.010(6), RCW 19.100.010(12), and RCW 19.100.010(17).
- 2. Respondents offered a franchise in violation of RCW 19.100.170 because they provided conflicting and misleading information and failed to disclose material facts in the offer of a franchise and made an untrue statement of a material fact in their franchise exemption application filed with the Securities Division.
- 3. Respondents offered a franchise in violation of RCW 19.100.020 because they offered an unregistered franchise as set forth in Findings of Fact Paragraphs three through six above.
- 4. Respondents' filing of a claim of exemption that was incomplete and/or contained a false or misleading statement as to a material fact constitutes grounds for a revocation of exemption under RCW 19.100.255(6).

CONSENT ORDER

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

IT IS AGREED AND ORDERED that Respondents Always Faithful Dog Training, Inc. and Abraham Mashal and their agents and employees shall each cease and desist from offering or selling franchises in violation of RCW 19.100.170, the Violations section of the Franchise Investment Protection Act.

IT IS AGREED AND ORDERED that Respondents Always Faithful Dog Training, Inc. and Abraham Mashal and their agents and employees shall each cease and desist from offering or selling franchises in violation of RCW 19.100.020, the Registration section of the Franchise Investment Protection Act.

IT IS AGREED AND ORDERED that Respondents' Always Faithful Dog Training, Inc. and Abraham Mashal claim of franchise registration exemption, file number 80083007, is hereby revoked.

IT IS FURTHER AGREED AND ORDERED that Respondents Always Faithful Dog Training, Inc. and Abraham Mashal, shall be liable for and shall pay investigative costs of \$1,462 prior to the entry of this Consent Order.

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

IT IS FURTHER AGREED that Respondents Always Faithful Dog Training, Inc. and Abraham Mashal enter into this Consent Order freely and voluntarily and with a full understanding of its terms and significance.

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

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By / <u>s/</u>	<u>/s/</u>
Abraham Mashal, President, for	Abraham Mashal, Individually
Always Faithful Dog Training, Inc.	

NOVEMBER

CONSENT ORDER
And ORDER REVOKING
FRANCHISE EXEMPTION

24TH

day of

Signed this

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S William M. Beatty Securities Administrator Approved by: Presented by: S	SIGNED and ENTERED this	<u>6TH</u>	_day of	<u>DECEMBER</u>	, 2023 by
William M. Beatty Securities Administrator Approved by: Presented by: /s/ Brian Guerard Chief of Enforcement Reviewed by: /s/ Huong Lam					
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				Securities Administrator	
Brian Guerard Martin Cordell Chief of Enforcement Financial Legal Examiner Reviewed by: /s/ Huong Lam	Approved by:			Presented by:	
Chief of Enforcement Reviewed by: \[\frac{/s/}{\text{Huong Lam}} \]	<u>/s/</u>			<u>/s/</u>	
Huong Lam					
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Financial Legal Examiner Supervisor	Huong Lam		_		
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