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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 by:

Order No. S-24-3719-24-CO01

CONSENT ORDER

Anjappar Chettinad LLC,
Respondents.

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INTRODUCTION

9 Pursuant to the Franchise Investment Protection Act, RCW 19.100, the Securities Division and
10 Anjappar Chettinad LLC (“Anjappar”) hereby enter this Consent Order in settlement of the matters alleged
11 herein. Anjappar neither admits nor denies the Findings of Fact and Conclusions of Law as stated below.

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FINDINGS OF FACT

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Respondents

14 1. Anjappar is a Delaware entity formed on August 27, 2013, with its principal place of business
15 located at 4699 Old Ironsides Drive, Suite 270, Santa Clara, CA 95054. Anjappar is in the business of selling
16 franchises for Indian restaurants, specializing in cuisine from the Chettinad region of India, under the
17 Anjappar Chettinad trademark/service mark.

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Nature of the Conduct

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Overview

20 2. Between the end of 2017 and November 2018, Anjappar negotiated, offered for sale, and sold
21 a franchise to a Washington LLC (“Restaurateur”). Anjappar granted the Restaurateur a franchise under the
22 terms of a “Restaurant License Agreement.” The subject of the Restaurant License Agreement was an
23

CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 41200
Olympia, WA 98504-1200
360-902-8760

1 Anjappar Chettinad Indian Restaurant located in Bellevue, WA (“Anjappar Restaurant”). The Restaurateur
2 has operated the Anjappar Restaurant since November 2018.

3 *Anjappar Required the Restaurateur to Pay a Franchise Fee*

4 3. Anjappar, under the Restaurant License Agreement, required the Restaurateur to pay a non-
5 refundable “Concept” or “License” fee of \$50,000.00 for the right to conduct business as a franchisee and an
6 ongoing royalty or “Service Charge” amounting to 5% of “Gross Sales” due on the tenth day of each month.
7 The Restaurateur, on or about June 6, 2018, paid the \$50,000.00 franchise fee to Anjappar.

8 *Anjappar Granted the Restaurateur the Right to Use its Trademarks and Tradenames*

9 4. Anjappar originated an Indian restaurant concept called “Anjappar Chettinad.” This concept
10 includes its “Concept IP” consisting of Anjappar’s proprietary interests, trademarks, trade dress, service
11 marks, trade names, and symbols, and a “Concept System.” Pursuant to the Restaurant License Agreement,
12 Anjappar granted the Restaurateur the right to use its “Concept IP.”

13 *Anjappar Provided a Marketing Plan to the Restaurateur*

14 5. Anjappar granted the Restaurateur the right to use its Concept System under the Restaurant
15 License Agreement. This consists of, among things, Anjappar designs, signs, equipment, plans, systems,
16 menus, recipes, sauces, mixes, cooking techniques, and other procedures. Anjappar further agreed to provide
17 the Restaurateur with training facilities, a training supervisor, an operations manual, disclosure of trade
18 secrets, management of its online presence (e.g., social media), and advise the Restaurateur on matters such
19 as marketing, merchandising, and general business operations. Anjappar required the Restaurateur to provide
20 it with weekly business reports, full yearly income and expense reports, and open its books, records, and
21 restaurant for inspection at any time.

1 *Anjappar did not provide the Restaurateur with a Franchise Disclosure Document*

2 6. At the no time did Anjappar provide the Restaurateur with a Franchise Disclosure Document
3 (“FDD”) prior to the sale of a franchise for the Anjappar Restaurant. An FDD is a document required under
4 state and federal law to be given to prospective franchisees. It contains material information about the
5 franchise for use by the prospective franchisee to weigh the risks and benefits of purchasing a franchise.

6 **Registration Status**

7 7. Anjappar is not currently registered to sell its franchises in the state of Washington and has
8 not previously been so registered. The franchise sale to the Restaurateur was not exempt from registration.

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

10 **CONCLUSIONS OF LAW**

11 1. The offer and sale of the Restaurant License Agreement described above constitutes the offer
12 and sale of a franchise as defined in RCW 19.100.010(6), RCW 19.100.010(12), and RCW 19.100.010(17).

13 2. Anjappar violated RCW 19.100.020, the franchise registration section of the Franchise
14 Investment Protection Act, by offering and selling a franchise for which no registration is on file with the
15 Securities Administrator.

16 3. Anjappar violated 19.100.080, the disclosure document requirement section of the Franchise
17 Investment Protection Act, by selling franchises without providing prospective purchasers with a current
18 disclosure document prior to the sale of the franchise.

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

20 **CONSENT ORDER**

21 IT IS AGREED AND ORDERED that Respondent Anjappar and their agents and employees, shall
22 each cease and desist from violating RCW 19.100.020, the franchise registration section of the Franchise
23 Investment Protection Act.

1 IT IS AGREED AND ORDERED that Respondent Anjappar and their agents and employees, shall
2 each cease and desist from violating RCW 19.100.080, the disclosure document requirement section of the
3 Franchise Investment Protection Act.

4 IT IS AGREED that Respondent Anjappar shall be liable for and pay costs in the amount of \$2,687.50.

5 IT IS AGREED that Respondent Anjappar enter this Consent Order freely and voluntarily and with a
6 full understanding of its terms and significance.

7 IT IS AGREED that the Securities Division has jurisdiction to enter this order.

8 IT IS AGREED that in consideration of the foregoing, the Respondent waives their right to a hearing
9 and to judicial review of this matter pursuant to RCW 19.100.260 and Chapter 34.05 RCW.

10

11 Signed this ____28th____ day of _____October_____ 2024.

12

13 Signed by:
14 Anjappar Chettinad LLC

15 _____
16 /s/Selvan Sethurman

17 Selvan Sethurman
18 Member

19 Approved as to form by:

20

21 _____
22 /s/Nirali Patel

23 Nirali Patel,
Attorney for [Respondent]

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SIGNED and ENTERED this 10th day of December, 2024.



/s/

William M. Beatty
Securities Administrator

Approved by:

Presented by:

/s/

Brian J. Guerard
Chief of Enforcement

_____/s/_____
Imran Sultan
Financial Legal Examiner

Reviewed by:

_____/s/_____
Huong Lam
Financial Legal Examiner Supervisor