

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Washington Franchise Investment
Protection Act by:

Bates Int'l Motor Home Rental Systems, Inc.,
Bates Motor Home Rental Network, Inc.,
Respondents.

SDO - 57 - 99

CONSENT ORDER

Case No. 99-07-0222

THE STATE OF WASHINGTON TO:

Bates Int'l Motor Home Rental Systems, Inc.
Bates Motor Home Rental Network, Inc.
3690 S. Eastern Avenue, Suite 220
Las Vegas, NV 89109

INTRODUCTION

The Securities Division, Department of Financial Institutions, State of Washington, and Respondents, Bates Int'l Motor Home Rental Systems, Inc. and Bates Motor Home Rental Network, Inc., do hereby agree to this Consent Order in settlement of the matters alleged herein. Respondents neither admit nor deny the Tentative Findings of Fact and Conclusions of Law as set forth below.

TENTATIVE FINDINGS OF FACT

I.

Bates Int'l Motor Home Rental Systems, Inc. and Bates Motor Home Rental Network, Inc. are Nevada corporations with principal places of business at 3690 S. Eastern Avenue, Suite 220, Las Vegas, Nevada.

II.

Bates Int'l Motor Home Rental Systems, Inc. is a seller of motor home rental franchises. Bates Int'l Motor Home Rental Systems, Inc. acts as a clearinghouse for the rental of motor homes. Purchasers of Bates Int'l Motor Home Rental Systems, Inc. franchises develop the motor home rental network in their geographic area by locating motor homes available for rent. They are obligated to pay franchise fees, and are entitled to utilize

CONSENT ORDER

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

Bates Int'l Motor Home Rental Systems, Inc.

1 proprietary marketing and other materials, to obtain training in the operation of the business, to use the proprietary
2 mark "Bates Motor Home Rental Network," and to hold exclusive rights to operate at a specific location within a
3 designated territory. Bates Motor Home Rental Network, Inc., the predecessor and affiliate of Bates Int'l Motor
4 Home Rental Systems, Inc., was also the seller of motor home rental franchises under the name "Bates Motor
5 Home Rental Network" similar to the franchises of Bates Int'l Motor Home Rental Systems, Inc.

6 III.

7 On November 13, 1998, Bates Int'l Motor Home Rental Systems, Inc. filed or caused to be filed with the
8 Securities Division an application to register its franchise opportunity (Franchise Registration Application File
9 No. F-03071) pursuant to Washington's Franchise Investment Protection Act to enable it to offer and sell
10 franchises in the State of Washington. The Uniform Franchise Offering Circular filed with the application
11 indicated that Bates Motor Home Network, Inc., the predecessor and affiliate of Bates Int'l Motor Home Rental
12 Systems, Inc., had previously sold one franchise to two Washington residents.

13 IV.

14 Neither Bates Int'l Motor Home Rental Systems, Inc., nor its predecessor and affiliate Bates Motor Home
15 Rental Network, Inc., have been registered to offer or sell franchises in the State of Washington.

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

17 CONCLUSIONS OF LAW

18 I.

19 The offer and/or sale of the franchises of the motor home rental franchises described in Tentative
20 Findings of Fact I through III above constitutes the offer and/or sale of a franchise as defined in RCW
21 19.100.010(4).
22

23 II.

1 The offer and/or sale of at least one such franchise as described in Tentative Findings of Fact I through
2 IV above was in violation of RCW 19.100.020 because no franchise registration was in effect with the
3 Administrator of Securities of the State of Washington nor permit issued to either Respondent Bates Int'l Motor
4 Home Rental Systems, Inc. nor Respondent Bates Motor Home Rental Network, Inc.

5 ORDER AND CONSENT

6 Based on the premises of the foregoing:

7 IT IS THEREFORE AGREED AND ORDERED that Respondents Bates Int'l Motor Home Rental
8 Systems, Inc., Bates Motor Home Rental Network, Inc., and their employees and agents shall each cease and desist
9 from the offer and/or sale of franchises in the State of Washington in violation of RCW19.100.020, the registration
10 requirement provision of the Franchise Investment Protection Act.

11 IT IS THEREFORE AGREED that Respondents Bates Int'l Motor Home Rental Systems, Inc. and Bates
12 Motor Home Rental Network, Inc. shall disclose the existence and contents of this Order in any franchise
13 registration disclosure document approved for use in the State of Washington, such requirement commencing from
14 the date of entry of this Order.

15 IT IS THEREFORE AGREED that Respondents Bates Int'l Motor Home Rental Systems, Inc. and Bates
16 Motor Home Rental Network, Inc. shall inform all employees and agents who offer franchises in the State of
17 Washington of the existence and contents of this Order for a period of three years from the date of entry of this
18 Order.

19 IT IS THEREFORE AGREED AND ORDERED that this Order shall remain in force and effect for a
20 period of three years from the date of entry of this Order.

21 IT IS THEREFORE AGREED that Respondents Bates Int'l Motor Home Rental Systems, Inc. and Bates
22 Motor Home Rental Network, Inc. each waive their rights to hearings in this matter.

23 IT IS THEREFORE AGREED that the Securities Division has jurisdiction to enter this Order.

24 WILLFUL VIOLATION OF AN ORDER OF THE SECURITIES ADMINISTRATOR IS A FELONY.

25 Bates Int'l Motor Home Rental Systems, Inc., by:

26 CONSENT ORDER

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Securities Division
PO Box 9033
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27 Bates Int'l Motor Home Rental Systems, Inc.

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_____, signed this _____ day of _____, 1999.

(Signature)

(Print Name)

(Print Title)

Bates Motor Home Rental Network, Inc., by:

_____, signed this _____ day of _____, 1999.

(Signature)

(Print Name)

(Print Title)

This Order entered by the Securities Division this _____ day of _____, 1999.

By:

Deborah R. Bortner
Securities Administrator

Approved for entry by:

Presented by:

Michael Stevenson
Chief of Compliance

Brad Ferber
Securities Examiner