

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:

Maui Wowi Marketing, Inc.

Respondent.

SDO - 007 - 01

CONSENT ORDER

Case No. 00-12-0505

INTRODUCTION

The Securities Division, Department of Financial Institutions, State of Washington, and Respondent, Maui Wowi Marketing, Inc., hereby agree to this Consent Order in settlement of the matters alleged herein. Respondent neither admits nor denies the Tentative Findings of Fact and Conclusions of Law as set forth below.

TENTATIVE FINDINGS OF FACT

I.

Maui Wowi Marketing, Inc. is a Utah corporation with a principal place of business located at 5808 South Rapp Street, Suite 120, Littleton, Colorado.

II.

Maui Wowi Marketing, Inc. is a seller of franchises for the sale, marketing and distribution of Maui Wowi® fresh fruit smoothies or fruit drinks and other products sold from portable carts or from fixed locations utilizing the Maui Wowi® trademark, trade names, service marks and logos. The initial franchise fee for a mobile franchise is \$20,000, while the initial fee for a location franchise is \$12,000. These fees are payable at the time of signing of a franchise agreement. Franchise purchasers

1 are entitled to receive (among other things) operating manuals and other instructional materials and  
2 training in the operation of the business.

3 III.

4 On January 29, 1998, Maui Wowi Marketing, Inc. filed or caused to be filed with the Securities  
5 Division an initial application and associated materials to register its Maui Wowi® franchise offering  
6 (franchise registration application file number F-02924) pursuant to Washington's Franchise  
7 Investment Protection Act, Ch. 19.100 RCW. A comment letter dated February 3, 1998, issued by a  
8 Securities Analyst with the Securities Division outlined a number of deficiencies with the filing.  
9 Although some corrected materials were received by the Securities Division in response to the  
10 February 3, 1998, letter, all comments were not resolved and the Securities Division issued no  
11 registration permit for the offering.  
12

13 On May 17, 1999, Maui Wowi Marketing, Inc. again filed or caused to be filed with the  
14 Securities Division an application and associated materials to register its Maui Wowi® franchise  
15 offering (franchise registration application file number F-03165). The application materials indicated  
16 that Maui Wowi Marketing, Inc. had offered and sold at least one franchise in the state of Washington.  
17 A Securities Analyst with the Securities Division again issued a comment letter dated May 27, 1999,  
18 which outlined a number of deficiencies with the filing, including that a franchise sale may have been  
19 made in violation of the registration provision of the Franchise Investment Protection Act and that if  
20 this was so that a consent order would need to be entered in order to complete the registration.  
21 Although some additional materials were received by the Securities Division in response to the May  
22

1 27, 1999, letter, all comments were not resolved and the Securities Division issued no registration  
2 permit for the offering.

3 On October 6, 2000, Maui Wowi Marketing, Inc. once again filed or caused to be filed with the  
4 Securities Division an application and associated materials to register its Maui Wowi® franchise  
5 offering (franchise registration application file number 70011511, formerly file number F-03429). The  
6 application materials continued to indicate that Maui Wowi Marketing, Inc. had offered and sold at  
7 least one franchise located in the state of Washington. On October 16, 2000, a Securities Analyst with  
8 the Securities Division again issued a comment letter that outlined a number of deficiencies with the  
9 filing, including the need for a consent order.  
10

11 IV.

12 Maui Wowi Marketing, Inc. has not been, and is not currently, registered with the Securities  
13 Division to offer or sell franchises in the state of Washington.

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

15 CONCLUSIONS OF LAW

16 I.

17 The offer and/or sale of the franchises for the sale, marketing and distribution of Maui Wowi®  
18 fresh fruit smoothies or fruit drinks and other products described in Tentative Findings of Fact I  
19 through III above constitutes the offer and/or sale of a franchise as defined in RCW 19.100.010(4).  
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21 II.

22 The offer and/or sale of the franchises as described in Tentative Findings of Fact I through IV  
23 above were in violation of RCW 19.100.020 because no franchise registration was in effect with the  
24 Administrator of Securities of the state of Washington nor was a permit issued to Respondent Maui

1 Wowi Marketing, Inc. for the offer and/or sale of at least one Maui Wowi® franchise in the state of  
2 Washington.

3 ORDER AND CONSENT

4 Based on the premises of the foregoing:

5 IT IS HEREBY AGREED AND ORDERED that Maui Wowi Marketing, Inc., its employees and  
6 agents each shall cease and desist from the offer and sale of unregistered franchises in the state of  
7 Washington in violation of RCW 19.100.020.

8 IT IS HEREBY AGREED AND ORDERED that Maui Wowi Marketing, Inc., shall inform its  
9 current Washington franchisees of the existence and contents of this Order.

10 IT IS HEREBY AGREED AND ORDERED that Maui Wowi Marketing, Inc., shall inform all  
11 employees and agents who offer franchises in this state of the existence and contents of this  
12 Order for a period of three years from the date of entry of this Order.

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

15 IT IS HEREBY AGREED that Maui Wowi Marketing, Inc. shall reimburse the Securities Division  
16 \$200 for its costs of investigation payable prior to the Securities Division's entry of this Order.

17 IT IS HEREBY AGREED that Maui Wowi Marketing, Inc., waives its rights to a hearing in this  
18 matter.

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

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Maui Wowi Marketing, Inc., by:

/s/  
\_\_\_\_\_  
(Signature)

Michael Haith President  
(Print Name and Title)

Signed this 8th day of January, 2001.

This Order entered by the Securities Division this 30th day of January, 2001.

By:

*Deborah R. Bortner*  
Deborah R. Bortner  
Securities Administrator

Approved by:

Presented by:

/s/  
\_\_\_\_\_  
Michael Stevenson  
Chief of Compliance

/s/  
\_\_\_\_\_  
Brad Ferber  
Securities Examiner