

1
2
3
4
5
6
7
8

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

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

SDO - 79 - 99

SUMMARY ORDER TO CEASE AND DESIST

Car Wash Guys International, Inc.,
Lance Winslow, and their agent and employees,

Respondents.

Case No. 99-12-0373

THE STATE OF WASHINGTON TO: The Car Wash Guys International, Inc., Lance Winslow, and their
agents and employees

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents have violated the Franchise Investment Protection Act and that their violations justify the entry of an order of the Securities Administrator under RCW 19.100.248 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to the investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

I. RESPONDENTS

1. Car Wash Guys International, Inc., is a California corporation, which maintains a principal place of business at 5699 Kanan Rd., #130, Agoura Hills, CA.

SUMMARY ORDER TO CEASE AND DESIST

1

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

Car Wash Guys International, Inc.

1
2
3 2. Lance Winslow is the founder and president of Car Wash Guys International, Inc. Winslow offers and
4 sells franchises on behalf of Car Wash Guys International, Inc.

5 II. NATURE OF THE OFFER

6 From July of 1999 through November 1999, Lance Winslow, on behalf of Car Wash Guys International,
7 Inc. (the franchisor) offered to Washington residents (the franchisees) car wash business franchises. The
8 operation of a "Car Wash Guys" franchise entails the use of mobile car wash truck units which service
9 customers in a specified territory. Under the "Car Wash Guys" franchise agreement, the franchisees are given
10 the right to engage in the business of offering car wash services in an exclusive territory. A marketing plan is
11 prescribed by the franchisor, and the franchisor grants a license to the franchisee to use the trade name "The
12 Car Wash Guys" in connection with the operation of the business. Upon execution of the agreement, the
13 franchisees agree to pay the franchisor a franchise fee of \$20,000, along with royalties in the amount of \$735
14 per month for each mobile car-wash truck unit in operation. The franchise agreement also establishes specific
15 franchisor obligations, including but not limited to: providing the franchisee with specifications for all initial
16 equipment required to open the business; furnishing the franchisee with a mandatory copy of the "The Car
17 Wash Guys" operations manual; providing the franchisees with an eighty hour initial training course; and
18 completing a "marketing mission" in the franchisees' exclusive territory for the benefit of the franchisees. The
19 franchise agreement obligates the franchisees to, among other things, act in accordance with the operations
20 manual provided to them. This manual establishes mandatory standards for the operation of the business, such
21 as appearance of the car wash units, advertising and promotion of the business, and materials to be used in the
22 business.

23 Acting on behalf of Car Wash Guys International, Inc., Lance Winslow offered and sold a "Car Wash
24 Guys" franchise to at least one Washington resident under the terms described above and for a franchise fee of

1 \$20,000. Lance Winslow, aka The Car Wash Guys International, Inc., is continuing to make offers via its
2 website, www.carwashguys.com. Mr. Winslow has also advised several Washington residents that he will be
3 in the state of Washington in the month of December to discuss the franchise opportunity.

4 III. MISREPRESENTATIONS AND OMISSIONS

5 In connection with the offer and sale of “The Car Wash Guys” franchises, Lance Winslow, acting on
6 behalf of Car Wash Guys International, Inc. failed to provide franchisees with material information regarding
7 the franchise purchase, including a complete Uniform Franchise Offering Circular (UFOC) with financial
8 statements of the franchisor.

9 IV. REGISTRATION STATUS

10 Car Wash Guys International, Inc. and Lance Winslow are not currently registered to sell franchises in the
11 state of Washington and have not previously been so registered.

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

13 CONCLUSIONS OF LAW

14 I.

15 The offer and/or sale of the program described above constitutes the offer and/or sale of a franchise as
16 defined in RCW 19.100.010(16) and RCW 19.100.010(4).

17 II.

18 The offer and/or sale of said franchises is in violation of RCW 19.100.020 because no registration or
19 notification of claim of exemption for such offer and/or sale is on file with the Securities Administrator of the
20 State of Washington.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

III.

The offer and/or sale of said franchises were in violation of RCW 19.100.170 because Car Wash Guys International, Inc. and Lance Winslow failed to provide franchisees a complete UFOC with financial statements of the franchisor.

V.

The Securities Administrator finds that an emergency exists, that the continued violations of RCW 19.100.020 and RCW 19.100.170 constitute a threat to the investing public, and that a summary order to cease and desist from those violations is in the public interest and necessary for the protection of the investing public.

SUMMARY ORDER

Based on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that Respondents Car Wash Guys International, Inc., Lance Winslow, and all agents and employees of the respondents, cease and desist from offering and/or selling franchises in any manner in violation of RCW 19.100.020, the section of the Franchise Investment Protection Act requiring registration.

It is further SUMMARILY ORDERED that Respondents Car Wash Guys International, Inc., Lance Winslow, and all agents and employees of those respondents, cease and desist from violation of RCW 19.100.170, the anti-fraud section of the Franchise Protection Act.

AUTHORITY AND PROCEDURE

This SUMMARY ORDER TO CEASE AND DESIST is entered pursuant to the provisions of RCW 19.100.248, and is subject to the provisions of Chapter 34.05 RCW. The Respondents may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order.

1 If a respondent does not request a hearing, the Securities Administrator intends to adopt the above
2 Tentative Findings of Fact and Conclusions of Law as final and make the summary order to cease and desist
3 permanent as to that respondent.

4 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

5 DATED this _____ day of December, 1999.
6
7

8 _____
9 DEBORAH R. BORTNER
10 Securities Administrator

11
12 Approved By:

Presented by:

13 _____
14 Michael E. Stevenson
15 Chief of Compliance

16 Chad Standifer
17 Securities Examiner

1
2
3
4
5
6
7
8

**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:

Car Wash Guys International, Inc.,
Lance Winslow, and their agents and employees,
Respondents.

SDO – 79B(1) - 99

NOTICE OF OPPORTUNITY TO DEFEND AND
OPPORTUNITY FOR HEARING

Case No. 99-12-0373

9 THE STATE OF WASHINGTON TO: Car Wash Guys International, Inc., and its' agents and
10 employees

11
12 YOU ARE HEREBY NOTIFIED that a SUMMARY ORDER TO CEASE AND DESIST (“the Order”), a
13 true and correct copy of which is attached and made part hereof, has been entered against you by the Washington
14 State Department of Financial Institutions, Securities Division.

15 YOU ARE HEREBY NOTIFIED that you may file an application for an adjudicative hearing before an
16 administrative law judge as Presiding Officer, upon the allegations supporting and ground for the agency action as
17 set forth in the Order. YOUR APPLICATION MUST BE RECEIVED BY THE SECURITIES DIVISION
18 WITHIN TWENTY (20) DAYS FROM THE DATE THAT YOU RECEIVE THIS NOTICE. If you demand a
19 hearing, you will be notified of the date, time, and hearing location at least seven (7) days in advance of the
20 hearing date.

21 At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be recorded and
22 will be conducted according to the Administrative Procedure Act, Ch. 34.05 RCW. The primary concern of the
23 Administrative Law Judge, and, ultimately, the Director of the Department of Financial Institutions, will be to
24 determine the truth of the matters asserted in the Order. Technical rules of evidence will not be binding at the

25 NOTICE OF OPPORTUNITY TO DEFEND AND
OPPORUTNITY FOR HEARING

1

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

26 Car Wash Guys International, Inc.

27

1 hearing except for the rules of privilege recognized by law. You have the right to present evidence and witnesses
2 in your own behalf who will be subject to cross examination, to cross examine those witnesses presented in
3 support of the Order, to examine such documentary evidence as may be produced against you, and to conduct
4 discovery as is authorized in such proceedings. You may require the attendance of witnesses by subpoena,
5 pursuant to RCW 34.05.446. If you are limited English-speaking or hearing impaired, you have the right to have
6 an interpreter appointed at no cost to you, as discussed below.

7 INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-English-
8 speaking cultural background, cannot readily speak or understand the English language, or if you or a witness for
9 you is a person who, because of a hearing impairment or speech defect, cannot readily understand or communicate
10 in spoken language, including persons who are deaf, deaf and blind, or hard of hearing, AND YOU NEED AN
11 INTERPRETER, then a qualified interpreter will be appointed at not cost to you or to the witness. You may
12 request the appointment of a qualified interpreter by indicating your request on the attached Application for
13 Adjudicative Hearing form.

14 YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not RECEIVE the
15 Application for Adjudicative Hearing form within twenty (20) days from the date you receive this notice, this will
16 constitute a waiver of your right to a hearing in accordance with Ch. 34.05 RCW, and the director will find that
17 you do not contest the allegations of the Summary Order. Upon such a finding by the director, a final order will be
18 immediately entered disposing of this matter and ordering you to cease and desist as described in the Summary
19 Order. If you desire a hearing in this matter, please return the attached Application for Adjudicative Hearing to:

20 Washington State Department of Financial Institutions
21 Securities Division
22 Attn: Chad Standifer
23 P.O. Box 9033
24 Olympia, WA 98507-9033

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

DATED this _____ day of _____ 1999.

DEBORAH R. BORTNER
Securities Administrator

NOTICE OF OPPORTUNITY TO DEFEND AND
OPPORUTNITY FOR HEARING

Car Wash Guys International, Inc.

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

1 in your own behalf who will be subject to cross examination, to cross examine those witnesses presented in
2 support of the Order, to examine such documentary evidence as may be produced against you, and to conduct
3 discovery as is authorized in such proceedings. You may require the attendance of witnesses by subpoena,
4 pursuant to RCW 34.05.446. If you are limited English-speaking or hearing impaired, you have the right to have
5 an interpreter appointed at no cost to you, as discussed below.

6 INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-English-
7 speaking cultural background, cannot readily speak or understand the English language, or if you or a witness for
8 you is a person who, because of a hearing impairment or speech defect, cannot readily understand or communicate
9 in spoken language, including persons who are deaf, deaf and blind, or hard of hearing, AND YOU NEED AN
10 INTERPRETER, then a qualified interpreter will be appointed at not cost to you or to the witness. You may
11 request the appointment of a qualified interpreter by indicating your request on the attached Application for
12 Adjudicative Hearing form.

13 YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not RECEIVE the
14 Application for Adjudicative Hearing form within twenty (20) days from the date you receive this notice, this will
15 constitute a waiver of your right to a hearing in accordance with Ch. 34.05 RCW, and the director will find that
16 you do not contest the allegations of the Summary Order. Upon such a finding by the director, a final order will be
17 immediately entered disposing of this matter and ordering you to cease and desist as described in the Summary
18 Order. If you desire a hearing in this matter, please return the attached Application for Adjudicative Hearing to:

19 Washington State Department of Financial Institutions
20 Securities Division
21 Attn: Chad Standifer
22 P.O. Box 9033
23 Olympia, WA 98507-9033

DATED this ____ day of _____ 1999.

DEBORAH R. BORTNER

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

**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:

Car Wash Guys International, Inc.,
Lance Winslow, and their agents and employees.
Respondents.

SDO - 79C(1) – 99

APPLICATION FOR ADJUDICATIVE HEARING

Case No. 99-12-0373

THE STATE OF WASHINGTON TO:

Car Wash Guys International, Inc., and its' agents and employees.

If you wish to contest the Summary Order to Cease and Desist and have an adjudicative hearing, you must sign, date, and return this form within twenty (20) days of the date you received it, to:

Washington State Department of Financial Institutions
Securities Division
Attn: Chad Standifer
P.O. Box 9033
Olympia, WA 98507-9033

FAILURE TO RETURN THIS FORM SO THAT IT IS RECEIVED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS OF THE DATE YOU RECEIVED IT WILL CONSTITUTE A DEFAULT AND WILL RESULT IN THE LOSS OF YOUR RIGHT TO AN ADJUDICATIVE HEARING. In that case, the Director of the Department of Financial Institutions will immediately enter an appropriate order in disposition of the Summary Order.

INSTRUCTIONS: Check the box beside your desired response. Mail this document as set forth above.

I.

- I request a hearing in this matter.
- I do not request a hearing in this matter.

II.

I [WILL] [WILL NOT] be represented by an attorney. His/her name, address, and telephone number are:

III.

I [REQUEST] [DO NOT REQUEST] that a qualified interpreter be appointed at no cost to me to interpret for (myself) or (my witness(es)). My, or my witness's(es'), primary language is _____ (identify language). My, or my witness's(es'), hearing impaired status is _____ (identify hearing impaired status). I understand that a qualified interpreter will be appointed at no cost to me or to my witness(es).

IV.

You have the right: To demand an adjudicative hearing, to be represented by an attorney at your own expense; and to subpoena witnesses to the hearing or subpoena the production of books or documents, and to otherwise defend against the Summary Order.

WARNING: FAILURE TO COMPLETE AND MAIL THIS DOCUMENT SO THAT IT IS RECEIVED BY THE SECURITIES DIVISION WITHIN 20 DAYS AFTER YOUR RECEIPT OF THE SUMMARY ORDER WILL RESULT IN THE DISPOSITION OF THIS CASE AS AUTHORIZED BY RCW 34.05.440.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

Dated this _____ day of _____, 1999.

**** Sign ****

Address:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

**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:

Car Wash Guys International, Inc.,
Lance Winslow, and their agents and employees.

Respondents.

SDO - 79C(2) – 99

APPLICATION FOR ADJUDICATIVE HEARING

Case No. 99-12-0373

THE STATE OF WASHINGTON TO: Lance Winslow, and his agents and employees.

If you wish to contest the Summary Order to Cease and Desist and have an adjudicative hearing, you must sign, date, and return this form within twenty (20) days of the date you received it, to:

Washington State Department of Financial Institutions
Securities Division
Attn: Chad Standifer
P.O. Box 9033
Olympia, WA 98507-9033

FAILURE TO RETURN THIS FORM SO THAT IT IS RECEIVED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS OF THE DATE YOU RECEIVED IT WILL CONSTITUTE A DEFAULT AND WILL RESULT IN THE LOSS OF YOUR RIGHT TO AN ADJUDICATIVE HEARING. In that case, the Director of the Department of Financial Institutions will immediately enter an appropriate order in disposition of the Summary Order.

INSTRUCTIONS: Check the box beside your desired response. Mail this document as set forth above.

I.

I request a hearing in this matter.

I do not request a hearing in this matter.

II.

I [WILL] [WILL NOT] be represented by an attorney. His/her name, address, and telephone number are:

III.

I [REQUEST] [DO NOT REQUEST] that a qualified interpreter be appointed at no cost to me to interpret for (myself) or (my witness(es)). My, or my witness's(es'), primary language is _____ (identify language). My, or my witness's(es'), hearing impaired status is _____ (identify hearing impaired status). I understand that a qualified interpreter will be appointed at no cost to me or to my witness(es).

IV.

You have the right: To demand an adjudicative hearing, to be represented by an attorney at your own expense; and to subpoena witnesses to the hearing or subpoena the production of books or documents, and to otherwise defend against the Summary Order.

WARNING: FAILURE TO COMPLETE AND MAIL THIS DOCUMENT SO THAT IT IS RECEIVED BY THE SECURITIES DIVISION WITHIN 20 DAYS AFTER YOUR RECEIPT OF THE SUMMARY ORDER WILL RESULT IN THE DISPOSITION OF THIS CASE AS AUTHORIZED BY RCW 34.05.440.

Dated this _____ day of _____, 1999.

**** Sign ****

Address:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27