STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

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

PortraitEFX Franchising Corporation;

Order Number S-10-241-10-CO01

CONSENT ORDER

Respondent.

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division of the Department of Financial Institutions ("Securities Division") and Respondent, PortraitEFX Franchising Corporation, do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondent, PortraitEFX Franchising Corporation neither admits nor denies the Findings of Fact and Conclusions of Law stated below.

FINDINGS OF FACT

I. Respondent

PortraitEFX Franchising Corporation ("PortraitEFX") is a Texas corporation based in Southlake, Texas. PortraitEFX is in the business of selling franchises to individuals to enable them to operate a professional photography business. PortraitEFX assists franchisees by teaching them the professional fundamentals of photography and providing them with the necessary marketing assistance, products and support.

II. Nature of the Offering

In or about September 2008, a Washington resident, after viewing the company's website, contacted PortraitEFX Franchising Corporation by e-mail and telephone about its franchise opportunity. The

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Washington resident later went to Texas to meet with representatives of PortraitEFX about the franchise opportunity. On or about October 5, 2008, PortraitEFX provided the Washington resident with a Uniform Franchise Offering Circular that had previously been filed with the Securities Division. PortraitEFX subsequently sold a PortraitEFX franchise to the Washington resident in October 2008 for an initial franchise fee of \$15,000. The Washington franchisee was to submit a monthly minimum of photo processing and printing work to PortraitEFX. PortraitEFX provided the Washington franchisee with the use of the PortraitEFX name, marks and system. PortraitEFX provided other assistance to the Washington franchisee including marketing, management and support systems. PortraitEFX provided the Washington franchisee an exclusive franchise territory in Snohomish County in which to operate the business. PortraitEFX provided photography training to the Washington franchisee at its corporate office. PortraitEFX provided the Washington franchisee with ongoing training and technical support.

III. Registration Status

In July 2007, PortraitEFX Franchising Corporation filed a franchise registration application with the Securities Division, file number 70013845. The Securities Division issued PortraitEFX Franchising Corporation a permit to offer and sale franchises in Washington that was made effective on July 11, 2007 and expired on July 11, 2008.

Respondent PortraitEFX Franchising Corporation was not currently registered to offer or sell franchises in the state of Washington at the time of the October 2008 sale to its Washington franchisee for the Snohomish County territory.

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

CONCLUSIONS OF LAW

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

II.

The offer and/or sale of said franchise was in violation of RCW 19.100.020 because no current registration for such offer and/or sale was on file with the Administrator of Securities, state of Washington at the time of the October 2008 sale to the Washington resident for the Snohomish County territory.

CONSENT ORDER

Based upon the foregoing:

IT IS AGREED AND ORDERED that Respondent PortraitEFX Franchising Corporation, its agents and employees each shall cease and desist from offering or selling franchises in violations of RCW 19.100.020, the registration section of the Franchise Investment Protection Act of the State of Washington.

IT IS FURTHER AGREED that Respondent PortraitEFX Franchising Corporation shall reimburse the Securities Division \$1,400, payable prior to the entry of this Consent Order, for its costs of investigation of this matter.

IT IS FURTHER AGREED that Respondent PortraitEFX Franchising Corporation enters into this Consent Order freely and voluntarily and with a full understanding of its terms and significance.

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

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1	IT IS FURTHER AGREED that in c	onsideration of the foregoing Respondent PortraitEFX
2	Franchising Corporation waives its rights to a he	aring in this matter and judicial review of this order.
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4	SIGNED this 24 day of N	November , 2010.
5	PortraitEFX Franchising Corporation by:	
6	/s/_	
7	Signature of Signer	
8	Laura Oakley, CFO Print Signature and Title of Signer	
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.1	SIGNED and ENTERED this <u>3rd</u>	day of <u>January</u> , 2011
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		Million & cats
.5		WILLIAM M. BEATTY Securities Administrator
.6	Approved by:	Presented by:
.7	An Elm	Martin Cordell
.9	SUZANNE SARASON	MARTIN CORDELL
20	Chief of Enforcement	Financial Legal Examiner
21	Reviewed by:	
22	15/5	
23	ROBERT KONDRAT	
24	CONSENT ORDER	4 DEPARTMENT OF FINANCIAL INSTITUTIONS
25 26		Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760

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