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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
Washington by:

Order Number S-04-154-05-CO01

CONSENT ORDER

Alloy Wheel Repair Specialists, Inc.; and
Wheel Repair Solutions International, Inc;

Respondents.

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INTRODUCTION

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division of the Department of Financial Institutions (“Securities Division”) and the Respondents, Alloy Wheel Repair Specialists, Inc. and Wheel Repair Solutions International, Inc., do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondents neither admit nor deny the Findings of Fact and Conclusions of Law stated below.

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FINDINGS OF FACT

RESPONDENTS

1. Alloy Wheel Repair Specialists, Inc. is a Georgia company founded in 2000 with a principal business address of 3230-T Peachtree Corners Circle, Norcross, Georgia 30092. The President of Alloy Wheel Repair Specialists is Thomas E. Morris, Jr.
2. Wheel Repair Solutions International, Inc. is a Georgia corporation incorporated on May 12, 2003. Alloy Wheel Repair Specialists, Inc. is the parent corporation of Wheel Repair Solutions International, Inc. The President of Wheel Repair Solutions International, Inc. is Thomas E. Morris, Jr.

NATURE OF THE OFFERING

CONSENT ORDER

1 3. Wheel Repair Solutions International offers franchises for the establishment, development, and
2 operation of businesses that provide cosmetic restoration and structural repair of automobile wheels using a
3 proprietary system of air tools, abrasives, chemicals, and other components. Franchisees are assigned
4 individual territories and are required to use "Alloy Wheel Repair Specialists" in their business name.

5 4. On December 3, 2003, Wheel Repair Solutions International filed an initial application to register
6 its franchise in Washington (Franchise Registration Application File No. 70012630) pursuant to
7 Washington's Franchise Investment Protection Act.

8 5. As part of its franchise application, Wheel Repair Solutions International voluntarily disclosed that
9 prior to the date of its application, Alloy Wheel Repair Specialists entered into written agreements with
10 three Washington residents. Under the agreements, the Washington residents were required to pay an
11 initial fee that would entitled them to, among other things, training and the exclusive right to use the Allow
12 Wheel Repair Specialists name and its system and method of automobile wheel repair in a specific
13 geographic territory in Washington. In addition to the initial fee, the Washington purchasers were also to
14 pay Alloy Wheel Repair Specialists a commission of five percent (5%) of gross sales.

15 6. Allow Wheel Repair Specialists failed to provide the Washington residents with a Uniform
16 Franchise Offering Circular (UFOC) that contained material information about the business, including, but
17 not necessarily limited to, financial statements for Alloy Wheel Repair Specialists.

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1 **REGISTRATION STATUS**

2 7. Neither Wheel Repair Solutions International, Inc., nor Alloy Wheel Repair Specialists, Inc., is
3 currently registered to sell its franchises in the state of Washington and has not previously been so
4 registered.

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

6 **CONCLUSIONS OF LAW**

7 1. The offer and/or sale of the Alloy Wheel Repair Specialists, Inc. agreements described above
8 constitutes the offer and/or sale of a franchise as defined in RCW 19.100.010(16) and RCW 19.100.010(4).
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10 2. The offer and/or sale of the franchise described above franchises was made in violation of RCW
11 19.100.020, the registration provision of the Franchise Investment Protection Act, because no registration for
12 the offers and/or sales is or has been effective with the Securities Division.

13 3. The offer and/or sale the franchises described above was made in violation of RCW 19.100.080, the
14 disclosure document requirement provision of Franchise Investment Protection Act, because the Respondents
15 failed to provide the Washington purchasers with a UFOC that contained all material information about the
16 franchise opportunity including, but not limited to, a financial statement for the seller.
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CONSENT ORDER

Based upon the foregoing:

IT IS THEREFORE AGREED AND ORDERED that the Respondents, Alloy Wheel Repair Specialists, Inc. and Wheel Repair Solutions International, Inc., their agents and employees each shall cease and desist from offering or selling franchises in violation of RCW 19.100.020, the registration section of the Franchise Investment Protection Act.

IT IS FURTHER AGREED AND ORDERED that the Respondents, Wheel Repair Solutions International, Inc., and Alloy Wheel Repair Specialists, Inc., their agents and employees each shall cease and desist from violating RCW 19.100.080, the disclosure document requirement provision of Franchise Investment Protection Act.

IT IS FURTHER AGREED AND ORDERED that the Respondents, Alloy Wheel Repair Specialists, Inc. and Wheel Repair Solutions International, Inc, and their agents, and employees each shall inform all Washington franchisees of this Order by providing them with copies of this Order. Respondent shall provide to the Securities Division within 60 days of the date of the entry of this Order proof of receipt or proof of delivery to the Washington franchisees.

IT IS FURTHER AGREED that the Respondents, Alloy Wheel Repair Specialists, Inc. and Wheel Repair Solutions International, Inc, shall reimburse the Securities Division \$500 for its costs of investigation, payable prior to the Securities Division's entry of this Order.

IT IS FURTHER AGREED that the Respondents, Alloy Wheel Repair Specialists, Inc. and Wheel Repair Solutions International, Inc, shall disclose the existence and contents of this Order in any franchise registration disclosure document approved for use in the State of Washington, such requirement commencing from the date of entry of this Order.

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

2 IT IS FURTHER AGREED that in consideration of the foregoing, the Respondents waive their
3 rights to a hearing in this matter and judicial review of this order.

4 Signed this 26th day of July, 2005.

5 Approved for entry by:

6 /s/ Thomas Sughrua

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8 Thomas Sughrua
9 Attorney for Respondents

10 Alloy Wheel Repair Specialists, Inc. by:

11 _____
12 /s/ Thomas E. Morris, Jr.
13 Thomas E. Morris, Jr., President

14 Wheel Repair Solutions International, Inc. by:

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16 /s/ Thomas E. Morris, Jr.
17 Thomas E. Morris, Jr., President

18 This Order signed and entered by the Securities Division this 10th day of August, 2005.

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20 _____
21 Michael E. Stevenson
22 Securities Administrator

23 Approved by:

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26 Martin Cordell
27 Chief of Enforcement

28 Presented by:

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31 Robert Kondrat
32 Financial Legal Examiner