

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING
5 whether there has been a violation
6 of the Franchise Investment Protection Act of
7 Washington by:

Beyond Juice Corporation and Beyond Juice
LLC,

Respondents.

Order Number S-04-211-05-SC01

STATEMENT OF CHARGES AND NOTICE
OF INTENT TO ISSUE AN ORDER TO
CEASE AND DESIST

8 THE STATE OF WASHINGTON TO: Beyond Juice Corporation and Beyond Juice LLC

9 **STATEMENT OF CHARGES**

10 Please take notice that the Securities Administrator of the State of Washington has reason to believe
11 that Respondents, Beyond Juice Corporation and Beyond Juice LLC have violated the Franchise Investment
12 Protection Act of Washington, RCW 19.100, and that their violations justify the entry of an order of the
13 Securities Administrator under RCW 19.100.238 to cease and desist from such violations. The Securities
14 Administrator finds as follows:

15 **TENTATIVE FINDINGS OF FACT**

16 Respondents

17 1. Beyond Juice Corporation, a Nevada corporation, was established on January 10, 1996 and is
18 currently doing business at 10170 Splendor Ridge, Las Vegas, NV 89135. Sally Kline is listed as the
19 President.

20 2. Beyond Juice LLC, a Nevada limited liability company, was established on June 17, 2003, but has
21 is in default status from July 1, 2005 until at least the date of this order. Beyond Juice LLC is currently
22 doing business at 10170 Splendor Ridge, Las Vegas, NV 89135. Sally Kline is listed as the Manager.

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DESIST

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

Nature of Offering

3. Beyond Juice Corporation and Beyond Juice LLC (together as “Beyond Juice”) are the sellers of a franchise opportunity to own and operate a retail restaurant, called Beyond Juice Café, in which coffee, blended juice drinks, salads, health supplements, and healthy sandwiches are sold.

4. According to Beyond Juice, purchasers of the opportunity can purchase a Beyond Juice Café for between \$199,500 and \$275,000 depending on local construction and real estate considerations. Beyond Juice also offers financing for the purchaser if approximately 25% of the café cost is made as a down payment.

5. Purchasers of the opportunity are provided with training, as well as start up support that includes assistance in selecting wholesale suppliers, selection and preparation of store location, hiring and training personnel, handling and establishing protocol, and merchandising. Purchasers are entitled to ongoing assistance and advice relating to operation of the business.

6. Purchasers are entitled to use the marks and associated trade names, trademarks, service marks, logotypes and other commercial symbols associated with Beyond Juice. Purchasers must comply with graphics standardization, basic menus, conceptual integrity, and standards of service to the general public.

7. Purchasers of the opportunity are obligated to pay an annual fee. The Beyond Juice website (www.beyondjuice.com) gives an example of a generic franchisee paying annual royalties of \$24,000 based on an 8% royalty and annual gross income of \$300,000. Beyond Juice states that this sample royalty amount is over 60% greater than what a Beyond Juice purchaser’s annual fee would be, putting the Beyond Juice annual fee at approximately \$9,600.

1 8. Beyond Juice offered and/or sold its opportunity to Washington residents via advertisements in
2 the Yakima Herald Republic. One classified ad was placed in the October 3, 2004 issue and two
3 classified ads were placed in the October 24, 2004 issue. Additionally, Beyond Juice offered and/or
4 sold its opportunity to Washington residents through the Beyond Juice website
5 (www.beyondjuice.com).

6 Registration Status

7 9. Beyond Juice Corporation and Beyond Juice LLC are not currently and have not previously been
8 registered to offer or sell franchises in the state of Washington.

9
10 Based upon the above Findings of Fact, the following Conclusions of Law are made:

11 **CONCLUSIONS OF LAW**

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

14 2. The offer and/or sale of said franchises was in violation of RCW 19.100.020, the registration
15 requirement provision of the Franchise Investment Protection Act, because no registration for offers
16 and/or sales is on file with the Securities Administrator.

17
18 **NOTICE OF INTENT TO ISSUE AN ORDER TO CEASE AND DESIST**

19 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities
20 Administrator intends to Order that Respondents, Beyond Juice and Beyond Juice LLC, and their agents and
21 employees, shall each permanently cease and desist from violations of RCW 19.100.020.

1 **AUTHORITY AND PROCEDURE**

2 This STATEMENT OF CHARGES AND NOTICE OF INTENT TO ISSUE AN ORDER TO
3 CEASE AND DESIST is entered pursuant to the provisions of RCW 19.100.248, and is subject to the
4 provisions of ch. 34.05 RCW. Each of the Respondents may make a written request for hearing as set forth
5 in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING
6 accompanying this order.

7 If a Respondent does not request a hearing, the Securities Administrator intends to adopt the above
8 Tentative Findings of Fact and Conclusions of Law as final and enter a permanent cease and desist order
9 against that Respondent.

10 Dated and Entered this 16th day of December, 2005

11 By:

12 

13 _____
14 MICHAEL E. STEVENSON
15 Securities Administrator

16 Approved by:

17 

18 _____
19 Martin Cordell
20 Chief of Enforcement

21 Presented by:

22 

23 _____
24 Dylan Waits
Financial Legal Examiner