

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:

Sahara Pizza Holding Company, Inc.,

Respondent.

Order Number S-05-132-05-CO01

CONSENT ORDER

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 Respondent, Sahara Pizza Holding Company, Inc., do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondent neither admits nor denies the Findings of Fact and Conclusions of Law stated below.

FINDINGS OF FACT

I.

Sahara Pizza Holding Company, Inc. is a Washington corporation having a principal business address of C-3, 621 SR 9 N.E., Lake Stevens, Washington 98258.

II.

Sahara Pizza Holding Company, Inc. is a seller of licenses to develop and operate pizza restaurants (license opportunities). Purchasers of Sahara Pizza Holding Company, Inc. license opportunities are obligated to pay royalties as a percentage of net sales (as defined by agreement) following execution of an agreement. In return, purchasers of Sahara Pizza Holding Company, Inc. license opportunities are entitled to receive materials concerning the systems, methods of operation of the business, use of Sahara Pizza Holding Company, Inc. trade name and trade marks, and the exclusive right to operate a restaurant within an exclusive territory.

CONSENT ORDER

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

Sahara Pizza Holding Company, Inc.

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III.

Sahara Pizza Holding Company, Inc. has offered and sold ten of its license opportunities to Washington residents for operation of restaurants within Washington prior to the date of this CONSENT ORDER.

IV.

Sahara Pizza Holding Company, Inc. is not currently registered to sell franchises in the state of Washington and has not previously been so registered. In addition, Sahara Pizza Holding Company, Inc. did not provide the Washington licensees with a Uniform Franchise Offering Circular (UFOC) containing all material information about the license opportunity including, but not necessarily limited to, a financial statement for the seller.

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

CONCLUSIONS OF LAW

I.

The offer and/or sale of the Sahara Pizza Holding Company, Inc. license opportunity described above constitutes 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 franchises was in violation of RCW 19.100.020, the registration requirement provision of the Franchise Investment Protection Act, because no registration for offers and/or sales is effective with the Securities Division.

III.

The offer and/or sale of said franchises was made in violation of RCW 19.100.080, the disclosure document requirement provision of the Franchise Investment Protection Act, because Respondent did not provide the Washington purchaser with a UFOC that contained all material information about the license opportunity including, but not necessarily limited to, a financial statement for the seller.

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CONSENT ORDER

Based upon the foregoing:

IT IS AGREED AND ORDERED that Respondent and its agents and employees each shall cease and desist from the offer and/or sale of unregistered 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 AND ORDERED that Respondent and its agents and employees each shall cease and desist from the offer and/or sale of franchises in violation of RCW 19.100.080, the disclosure document requirement provision of the Franchise Investment Protection Act of the State of Washington.

IT IS FURTHER AGREED AND ORDERED that Respondent and its agents and employees each shall inform the current Washington licensee of this CONSENT ORDER by providing the licensee with a copy of this CONSENT ORDER within thirty (30) days of the issuance of this order. Respondent shall provide to the Securities Division within 60 days of the date of entry of this CONSENT ORDER proof of receipt or proof of delivery to the licensee.

IT IS FURTHER AGREED that Respondent shall reimburse the Securities Division \$500, payable prior to the entry of this CONSENT ORDER, for its costs of investigation of this matter.

IT IS FURTHER AGREED that in consideration of the foregoing Respondent hereby waives its right to a hearing in this matter and judicial review of this order.

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

SIGNED this 18 day of August , 2005.

Signed by:

Sahara Pizza Holding Company, Inc.

By Tom Wartinger
Name

CONSENT ORDER

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