

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:

Order Number S-11-0805-CO01

8 Window World, Inc.,
9 Respondent.

10 **CONSENT ORDER**

11 Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities
12 Division of the Department of Financial Institutions (“Securities Division”) and Respondent, Window
13 World, Inc. do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein.
14 Respondent, Window World, Inc., neither admits nor denies the Findings of Fact and Conclusions of
15 Law stated below.

16 **FINDINGS OF FACT**

17 **I. Respondent**

18 1. Window World, Inc. is a North Carolina corporation based in North Wilkesboro, North
19 Carolina that is in the window replacement business.

20 **II. Nature of Conduct**

21 2. Between 2006 and 2010, Window World, Inc. offered and sold licenses to operate Window
22 World stores in Washington by oral solicitations to three individuals. The individuals were offered the
23 opportunity to purchase a Window World, Inc. license to sell replacement windows, doors, and siding for
24 an initial license fee ranging from between \$5,000 to \$13,000. Window World, Inc. provided the licensees
with the right to use the Window World, Inc. trademarks and trade names, marketing support, advertising

WINDOW WORLD CONSENT ORDER

1 materials, sales and installation training, and national advertising support. Window World provided
2 licensees with the initial equipment, displays, and marketing materials necessary to open the businesses.
3 Window World licensees were provided a copy of the Window World “Standard Operating Procedures
4 Manual.” Window World, Inc. licensees were provided design standards for their stores and required to
5 purchase products from approved sources. Window World also received a percentage of the sales by the
6 approved sources that was generated by its licensees.

7 III. Failure to Deliver Offering Circular

8 3. In connection with the offer and sale of the Window World, Inc. licenses, Window World,
9 Inc. failed to provide the prospective purchasers with a disclosure document or offering circular as required
10 by RCW 19.100.080 that contained the information about the franchise required by RCW 19.100.040.

11 IV. Registration Status

12 4. Window World, Inc. is not currently registered to offer or sell franchises in the state of
13 Washington and has not previously been so registered.

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

15 CONCLUSIONS OF LAW

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

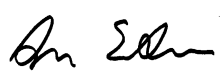
18 2. The offer and/or sale of said franchises were in violation of RCW 19.100.020 because no
19 registration for such offer and/or sale is on file with the Securities Administrator.

20 3. The offer and/or sale of said franchises was made in violation of RCW 19.100.080 because
21 Respondent did not provide licensees with a disclosure document or offering circular required under RCW
22 19.100.040 prior to the sale of the franchise.

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Approved by:

Presented by:



SUZANNE SARASON
Chief of Enforcement

MARTIN CORDELL
Financial Legal Examiner

Reviewed by:



ROBERT KONDRAT
Financial Legal Examiner Supervisor