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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) Order No. S-12-0954
Franchise Investment Protection Act of)
Washington by:) STATEMENT OF CHARGES AND NOTICE OF INTENT
) TO ENTER ORDER TO CEASE AND DESIST
Jocor Enterprises, LLC doing business as Volcano)
Fine Electronic Cigarettes,)
)
Respondent.)

THE STATE OF WASHINGTON TO: Jocor Enterprises, LLC doing business as Volcano Fine
Electronic Cigarettes

STATEMENT OF CHARGES

Please take notice that the Securities Administrator for the state of Washington has reason to believe that Respondent Jocor Enterprises, LLC d/b/a Volcano Fine Electronic Cigarettes has violated the Franchise Investment Protection Act of Washington, RCW 19.100, and that its violations justify the entry of an order of the Securities Administrator under RCW 19.100.248 against each to cease and desist from such violations. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

I.

Parties

1. Jocor Enterprises, LLC d/b/a Volcano Fine Electronic Cigarettes is a Hawaii limited liability company with its principal place of business in Honolulu, Hawaii.

2. Cory N. Smith is the managing member of Jocor Enterprises, LLC.

II.

Nature of the Offering

3. In 2011, a Washington State resident contacted Cory N. Smith of Jocor Enterprises, LLC by email after viewing the company's website at www.volcanoecigs.com on which the company advertised its e-cigarettes and related products. The resident also spoke with Smith and another Jocor Enterprises, LLC employee by telephone to discuss the company's products and the opportunity to open a Washington store to sell their products. Jocor Enterprises, LLC offered the resident the right to use the company's marks and names, training and marketing assistance, and a "franchisee discount" on Volcano e-cigarette products. In exchange, the company would require the

resident to pay a \$10,000 initial fee and an ongoing monthly fee of \$3,000 after the store's fourth month of business. Jocor Enterprises provided the resident with price lists for its products. Smith emailed the resident a "franchise agreement" that the resident signed in September, 2011. The resident paid the initial \$10,000 fee by debit card. Jocor Enterprises, LLC reviewed the proposed plans for the resident's store, provided artwork to be used in the store and for marketing of the products, provided technical training on the use of the products and Smith personally assisted with the store's grand opening. Jocor Enterprises, LLC added the Washington store to its list of retail locations on its website.

III.

Failure to Deliver Offering Circular

4. In connection with the offer and sale of the license, Respondent failed to provide the prospective purchaser with an offering circular or disclosure document as required by RCW 19.100.080 that contained the information about the franchise required by RCW 19.100.040.

IV.

Registration Status

5. Respondent Jocor Enterprises, LLC is not currently registered to sell franchises in the state of Washington and has not previously been so registered.

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

CONCLUSIONS OF LAW

I.

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

II.

The offer or sale of said franchise is in violation of RCW 19.100.020 because no registration for such offer and/or sale by Jocor Enterprises, LLC was on file with the Securities Administrator for certain time periods when offers and/or sales occurred.

III.

The offer and/or sale of said franchise were in violation of RCW 19.100.080, the disclosure document requirement provision of the Franchise Investment Protection Act, because Respondent failed to provide the prospective purchaser with an offering circular or franchise disclosure document as required by RCW 19.100.040.

NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST

Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Jocor Enterprises, LLC, its agents and employees each shall cease and desist from violations of RCW 19.100.020 and RCW 19.100.080.

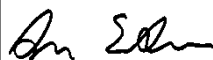
1 **AUTHORITY AND PROCEDURE**

2 This Order is entered pursuant to the provisions of RCW 19.100.248 and RCW 19.100.130 and is subject to
3 the provisions of Chapter 34.05 RCW. Jocor Enterprises, LLC may make a written request for a hearing as set forth
4 in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
5 order. If the respondent does not request a hearing within the allowed time, the Securities Administrator intends to
6 adopt the above Tentative Findings of Fact and Conclusions of Law as final and enter an order to cease and desist
permanent as to the respondent.

7 Signed and Entered this 21st day of May, 2012.

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10 _____
11 William M. Beatty
12 Securities Administrator

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14 _____
15 Suzanne Sarason
16 Chief of Enforcement

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18 _____
19 Martin Cordell
20 Financial Legal Examiner

21 Reviewed by:

22 

23 _____
24 Jack McClellan
25 Financial Legal Examiner Supervisor