

1 **FINDINGS OF FACT**

2 **Respondent**

3 1. Donald Charles Sukin is a former real estate agent, real estate license number 43471, who was
4 licensed in the state of Washington from 1994 to 2010 and whose principal places of business was located in Pierce
5 County. From 2013 to 2014, Sukin did business as MBA Business Brokers, an unincorporated entity.

6 **Nature of the Conduct**

7 2. Prior to 2011, Sukin was introduced to and represented purchasers and sellers of Subway franchised
8 restaurants as a licensed real estate agent. Sukin ceased being a licensed real estate agent after 2010. Some of the
9 Subway store purchasers and sellers were referred to Sukin by the local area representative of Subway while others
10 were repeat clients or referred by others. From 2013 to 2014, the local Subway area representative provided many
11 prospective purchasers with a "Subway Stores For Sale List." The list contained the store franchise number, address
12 and contact person. Don Sukin was listed as the contact person for substantially all of the Subway stores listed for
13 sale. In addition to showing prospective purchasers Subway restaurants that were for sale, Sukin offered to provide
14 post-sale assistance to franchise buyers such as training. In the course of assisting purchasers and sellers with the
15 negotiations and purchase of the Subway restaurants, Sukin requested certain purchasing clients to make payments to
16 him or third parties in advance of the closing of the restaurant purchase. These payments were for earnest money
17 deposits, rent or lease deposits, franchise transfer fees, and taxes. In several instances, Sukin did not use the money for
18 the purposes that he stated to franchise buyers or as the buyers intended.

19 Investor A

20 3. In 2013, Sukin assisted Investor A and his family members with the proposed purchase of three
21 Subway stores in Pierce County. Investor A is a Washington resident who was referred to Sukin by the local Subway
22 representative. In connection with the purchase of the stores, Sukin instructed Investor A to pay him directly for
23 earnest money deposits, taxes and franchise transfer fees associated with the purchases. Sukin represented that he

1 would be making these payments to the sellers of the Subway restaurant, Pierce County and Subway respectively.
2 Investor A gave Sukin money orders, payable to MBA Business Brokers, for these costs for a total amount in excess
3 of \$70,000. When the proposed transactions did not timely proceed, Sukin did not use Investor A's money for the
4 purposes that he stated and he failed to return the money to Investor A. Sukin instead provided Investor A with a
5 promissory note for \$70,000. Sukin has failed to repay Investor any money on the note. Investor A and his family
6 members were required to come up with additional funds to renegotiate the purchases of the stores.
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8 Investor B

9 4. In 2014, Sukin assisted Investor B, a Washington resident, with the proposed purchase of a Subway
10 store in Pierce County, Washington. Sukin instructed Investor B to make out eight cashiers' checks payable to MBA
11 Business Brokers, Sukin's d.b.a., for a total of \$32,368. Sukin represented to Investor B that the money would be used
12 for earnest money deposits to be paid to the seller, franchise transfer fee payments to be paid to Subway and tax
13 payments to Pierce County. At the end of 2014, Investor B was advised by others involved in the proposed transaction
14 that Sukin "had gone missing" with Investor B's money. The proposed Subway franchise store purchase did not go
15 through and Sukin has failed to return any of the money that Investor B paid to Sukin d.b.a. MBA Business Brokers.

16 Registration Status

17 5. Respondent Donald Charles Sukin, d.b.a. MBA Business Brokerage, Inc., is not currently registered
18 as a franchise broker to offer franchises for sale in the state of Washington and has not previously been so registered.

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

20 **CONCLUSIONS OF LAW**

21 1. The offer or sale of Subway franchises described above constitutes the offer and/or sale of a franchise
22 as defined in RCW 19.100.010(6), RCW 19.100.010(12), and RCW 19.100.010(17).
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2 2. The offer and/or sale of said franchises were made in violation of RCW 19.100.170 because Sukin
3 misrepresented to prospective purchasers of Subway stores that money collected by Sukin would be used to pay for
4 expenses associated with the purchase of the restaurants such as earnest monies, franchise transfer fees and taxes, and
5 Sukin omitted to disclose material facts to prospective franchise restaurant purchasers, including, but not limited to
6 the refundability of monies paid to Sukin in connection with their purchases.

7 3. The offer and/or sale of said franchises were made in violation of RCW 19.100.140 because Sukin
8 offered Subway franchise stores for sale while not registered as a franchise broker.

9 Based upon the foregoing and finding it in the public interest:

10 **FINAL ORDER**

11 IT IS HEREBY ORDERED that Respondent Donald Charles Sukin d.b.a. MBA Business Brokers shall
12 permanently cease and desist from violations of RCW 19.100140 and RCW 19.100.170.

13 **AUTHORITY AND PROCEDURE**

14 This Final Order is entered pursuant to the provisions of chapter 19.100 RCW and is subject to the provisions
15 of chapter 19.100 RCW and chapter 34.05 RCW. The Respondent has a right to petition the superior court for judicial
16 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements of judicial review, see
17 RCW 34.05.510 and the sections following.

18 **WILLFUL VIOLATIONS OF THIS ORDER IS A CRIMINAL OFFENSE.**

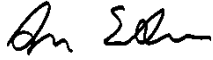
19 Signed and Entered this 10th day of November, 2016.

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22 William M. Beatty
23 Securities Administrator

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Approved by:



Suzanne Sarason
Chief of Enforcement

Presented by:



Martin Cordell
Financial Legal Examiner

Reviewed by:



Jack McClellan
Financial Legal Examiner Supervisor