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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

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IN THE MATTER OF DETERMINING ) Order No.: S-17-2243-17-SC01  
Whether there has been a violation of the )  
Franchise Investment Protection Act of ) STATEMENT OF CHARGES AND  
Washington by: ) NOTICE OF INTENT TO  
) ENTER ORDER TO CEASE AND DESIST  
Jon Ric International Franchises, LLC, )  
John R. Rando, )  
)  
Respondents )

THE STATE OF WASHINGTON TO: Jon Ric International Franchises, LLC  
John Richard Rando

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents, Jon Ric International Franchises, LLC and John R. Rando, have each violated the Franchise Investment Protection Act of Washington, RCW 19.100, and that their 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**

**Respondents**

1. Jon Ric International Franchises, LLC (“Jon Ric”) is a Florida entity that was formed on February 19, 2010 and had its principal place of business in Deland, Florida. Jon Ric offered and sold franchises in at least 12 states for various types of wellness spas, including medical spas, day spas, and beauty and hair salons. Jon Ric was administratively dissolved on September 23, 2011, but the company continued to do business. In March 2016, Jon Ric offered and sold at least one franchise located in

1 Washington. Jon Ric provided the Washington investor with a franchise disclosure document that indicated  
2 that Jon Ric was still an active corporation, but the company was administratively dissolved.

3 2. John R. Rando (“Rando”) resides in Deland, Florida. Rando was a managing member of Jon  
4 Ric. Rando is also a licensed cosmetologist in the state of Florida.

### 5 **Nature of the Offering**

6 3. In 2016, Jon Ric and Rando offered a franchise opportunity to a Venezuelan investor who  
7 moved to the United States to open and operate a spa, hair care, and nail salon in Redmond, Washington. In  
8 March 2016, the investor paid a \$35,000 initial franchise fee to Jon Ric to purchase a medical spa franchise  
9 opportunity in the state of Washington.

10 4. During March 2016, the Respondents, Jon Ric and Rando, signed an initial franchise  
11 agreement with the investor. Among other things, the franchise agreement required the investor to pay  
12 weekly royalty fees and to pay monthly advertising expenditures to Jon Ric. The agreement required the  
13 investor to only sell products that were approved by Jon Ric and to purchase supplies and equipment that  
14 were approved by Jon Ric. The agreement also gave the investor the right to use the Jon’Ric trademark and  
15 trade name in the operation of the investor’s business.  
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17 5. The franchise agreement required Jon Ric to provide the investor with a confidential  
18 operations manual and to provide the investor with initial training. However, Jon Ric and Rando never  
19 provided an operations manual or provided training for the investor.

20 6. Although the investor had originally planned to open a medical spa, the investor had  
21 insufficient capital to purchase the equipment that was needed for a medical spa. Because of the investor’s  
22 limited capital, the Respondents and the investor signed an addendum dated February 24, 2016, that waived  
23 the franchise royalties for the first three months of operations. Later, the Respondents and the investor  
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1 signed a second addendum, dated July 28, 2016, that waived the franchise royalties for the first 18 months  
2 of operations.

3 7. The second addendum required Jon Ric to apply for financing and to obtain an equipment  
4 lease of at least three years for the investor, but Jon Ric never obtained any equipment financing or provided  
5 any leased equipment to the investor. Eventually, instead of purchasing or leasing medical spa equipment  
6 from or through Jon Ric as originally planned, the investor purchased day spa equipment and supplies from  
7 outside vendors.

8 8. In February 2017, the investor opened a spa doing business as Jon Ric Beauty & Wellness  
9 Spa, for providing facial treatments and a hair and nail salon. Because the investor still has inadequate  
10 working capital, the investor will likely have to close the business at the end of this year.

11 **Registration Status**

12 9. Jon Ric International Franchises, LLC is not currently registered to offer or sell franchises in  
13 the state of Washington and has not previously been so registered.

14 10. John R. Rando is not currently registered to offer or sell franchises in the state of Washington  
15 and has not previously been so registered.

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

17 **CONCLUSIONS OF LAW**

18 1. The offer and/or sale of the opportunity described above constitute the offer and/or sale of a  
19 franchise as defined in RCW 19.100.010(6), RCW 19.100.010(12), and RCW 19.100.010(17).  
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21 2. The Respondents Jon Ric International Franchises, LLC and John R. Rando have each  
22 violated RCW 19.100.020 because no registration for the offer and/or sale of the franchise was on file with  
23 the Securities Administrator.  
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1           3.       The Respondents Jon Ric International Franchises, LLC and John R. Rando have each  
2 violated RCW 19.100.170 because when offering and selling a franchise, they each made untrue statements  
3 of material fact or omitted to state a material fact necessary in order to make the statements made in light of  
4 the circumstances under which they were made not misleading. The material misrepresentations and  
5 omissions included, but are not limited to, the failure to disclose Jon Ric’s administrative dissolution, the  
6 failure to provide an operations manual, the failure to provide training, and the failure to provide equipment  
7 or equipment financing, while accepting a \$35,000 initial franchise fee for the operation of a medical spa.

8                           **NOTICE OF INTENT TO ORDER THE RESPONDENTS TO CEASE AND DESIST**

9           Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities  
10 Administrator intends to order that Jon Ric International Franchises, LLC and John R. Rando, and their  
11 agents and employees each shall cease and desist from violations of RCW 19.100.020 and RCW  
12 19.100.070.

13   **AUTHORITY AND PROCEDURE**

14           This Statement of Charges is entered pursuant to the provisions of RCW 19.100.248 and is subject to  
15 the provisions of Chapter 34.05 RCW. The Respondents, Jon Ric International Franchises, LLC and John  
16 R. Rando, may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY  
17 TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order. If a Respondent does not  
18 make a hearing request in the time allowed, the Securities Administrator intends to adopt the above  
19 Tentative Findings of Fact and Conclusions of Law as final and to enter a permanent order to cease and  
20 desist as to that Respondent.  
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Signed and Entered this 17th day of July, 2017




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William M. Beatty  
Securities Administrator

Approved by:

Presented by:



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Suzanne Sarason  
Chief of Enforcement



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Janet So  
Financial Legal Examiner

Reviewed by:

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Robert Kondrat  
Financial Legal Examiner Supervisor