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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  
Franchise Investment Protection Act of  
Washington by:

Burgerim Group USA, Inc.

Respondent.

Order No.: S-20-2836-20-FO01

**ENTRY OF FINDINGS OF FACT AND  
CONCLUSIONS OF LAW AND FINAL ORDER  
REVOKING EFFECTIVENESS OF REGISTRATION  
STATEMENT**

**THE STATE OF WASHINGTON TO:**

Burgerim Group USA, Inc.

On January 14, 2020, the Securities Administrator of the State of Washington issued Stop Order Revoking the Effectiveness of Registration Statement, Order No. S-20-2836-20-SO01 (“Stop Order”). The Statement of Charges, together with a Notice of Opportunity for Hearing (“Notice”) and an Application for Adjudicative Hearing (“Application”), were served on Respondent Burgerim Group USA, Inc. (“Burgerim”), on January 14, 2020. The Notice advised Respondent Burgerim that the Application must be received within twenty days from the date of receipt. Respondent Burgerim failed to request an administrative hearing within twenty days of receipt. Between the entry of the Stop Order and this Order, the Division received notice from Respondent Burgerim that it cancelled its surety bond. The surety bond was the financial assurance Respondent Burgerim elected to make as a condition of its franchise registration in Washington.

The Securities Administrator therefore adopts as final the following Findings of Fact and Conclusions of Law as set forth in the Statement of Charges and enters a final order against Respondent Burgerim revoking the effectiveness of its registration statement under the Franchise Investment Protection Act.

1 **FINDINGS OF FACT**

2 1. Burgerim is a California corporation with its principal place of business in Calabasas,  
3 California. Burgerim offers a fast casual franchise concept with customizable burger options.

4 2. Burgerim’s initial registration with the Securities Division of the Washington State  
5 Department of Financial Institutions (Securities Division) became effective on January 4, 2018, and its  
6 renewal statement became effective on February 14, 2019.

7 3. In that period, Burgerim sold two franchises in Washington. One of these franchises opened  
8 in August 2019, and the other has not yet opened.

9 4. Around December 18, 2019, Burgerim sent at least one of its franchisees a notification that  
10 Burgerim was restructuring its debts, had hired insolvency counsel, appointed a “Chief Restructuring  
11 Officer,” and was considering filing for a Chapter 11 bankruptcy.

12 5. Burgerim’s most recent franchise disclosure document (FDD) filed with the Securities  
13 Division does not adequately disclose Burgerim’s current financial condition, or that it has taken these  
14 actions related to restructuring its debts.

15 6. Burgerim failed to respond to communications from state regulators, such those attempts  
16 described in the Securities Division of the Office of the Attorney General of Maryland’s Stop Order in Case  
17 No. 2019-0213 (Maryland Stop Order), found at  
18 [http://www.marylandattorneygeneral.gov/Securities%20Actions/2019/Burgerim USA stop order Final](http://www.marylandattorneygeneral.gov/Securities%20Actions/2019/Burgerim%20USA%20stop%20order%20Final%20122719.pdf)  
19 [122719.pdf](http://www.marylandattorneygeneral.gov/Securities%20Actions/2019/Burgerim USA stop order Final 122719.pdf) and the Securities Division’s own attempts to communicate with Burgerim in response to  
20 learning of the Maryland Stop Order.

21 7. Burgerim, in at least one press report about the Maryland Stop order, confirmed that it was  
22 likely to file for bankruptcy by the end of January 2020.

23 8. Burgerim continues to offer the sale of franchises on its website.

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

2 **CONCLUSIONS OF LAW**

3 1. A stop order revoking the effectiveness of Burgerim’s registration statement is in the public  
4 interest.

5 2. Burgerim’s failure to amend its registration on file with the Securities Division within a  
6 reasonable period of time after a material adverse change in its condition and in the information contained  
7 in its FDD is in violation of RCW 19.100.070.

8 3. Burgerim’s FDD, as currently effective, would work or tend to work a fraud upon  
9 purchasers.

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

11 **FINAL ORDER REVOKING EFFECTIVENESS**

12 IT IS HEREBY ORDERED that the stop order revoking the effectiveness of Burgerim’s registration  
13 statement that became effective on February 14, 2019 will remain in effect until it is modified or vacated  
14 by the Securities Administrator.

15 **AUTHORITY AND PROCEDURE**

16 The Findings of Fact and Conclusions of Law are entered pursuant to RCW 19.100.130 and are  
17 subject to the provisions of Chapter 34.05 RCW. Respondents have the right to petition the superior court  
18 for judicial review of this agency action under the provisions of Chapter 34.05 RCW. For the requirements  
19 for judicial review, see RCW 34.05.510 and sections following.

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21 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**  
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1 SIGNED and ENTERED this 13th day of February, 2020.

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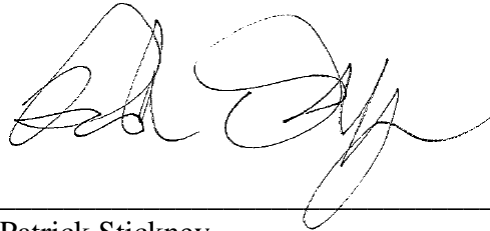
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6 William M. Beatty  
7 Securities Administrator

8 Approved by:

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10 \_\_\_\_\_  
11 Suzanne Sarason  
12 Chief of Enforcement

13 Presented by:

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15 \_\_\_\_\_  
16 Patrick Stickney  
17 Financial Legal Examiner

18 Reviewed by:

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20 \_\_\_\_\_  
21 Jack McClellan  
22 Financial Legal Examiner Supervisor