1 2	STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION		
3	IN THE MATTER OF DETERMINING	Order No.: S-23-3546-23-CO01	
	Whether there has been a violation of the		
4	Franchise Investment Protection Act of Washington by:	CONSENT ORDER	
5	Mobiledumps Franchising, LLC		
6	Respondents		
7			
8	Pursuant to the Franchise Investment Protection Act of Washington, chapter 19.100 RCW, the Securities		
9	Division and Respondent Mobiledumps Franchising, LLC do hereby enter into this Consent Order in		
10	settlement of the matters alleged herein. Respondent Mobiledumps Franchising, LLC neither admits nor		
11	denies the Findings of Fact or Conclusions of Law as stated below.		
12	FINDINGS OF FACT		
13	Respondent		
14	1. Mobiledumps Franchising, LLC ("Mobiledumps") is a Virginia limited liability company		
15	organized on September 14, 2021. Mobiledumps maintains a principal place of business in Richmond,		
16	Virginia.		
17	Nature of the Conduct		
18	The Franchise		
19	2. Mobiledumps sells a franchise that	t allows purchasers to start a business renting out trailers	
20	which customers use to dispose of household and	other kinds of refuse. Franchisees use Mobiledumps'	
21	trade names, logos, and other "proprietary marks," as well as Mobiledumps' "system" when conducting		
22	their franchise's business. The system consists of the logistics of dropping off and picking up the trailers,		
23	the dumpsters' design, Mobiledumps' "specialized	ed IT system," operating standards and procedures, and	
	CONSENT ORDER	DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division	

advertising, promotional, and marketing materials, among other things. Franchisees also must use Mobiledumps' business management system for booking jobs and to process payments received.

3 3. Franchisees pay a nonrefundable initial franchise fee of at least \$25,000. The population of a
new franchisee's territory will increase the amount of this fee. Franchisees must also pay between \$1,800
and \$3,200 for signage before they begin operating their franchises. Franchisees must also pay seven
percent of gross receipts weekly, a monthly "IT service fee" of up to \$350, and a "brand fund fee" of up to
two percent of gross sales. Franchisees must also pay up to two percent of gross sales on local advertising
monthly.

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Offers and Sales to Washington Residents

In August 2022, Mobiledumps provided a Franchise Disclosure Document dated May 19,
2022 to two Washington residents. However, at that point, Mobiledumps had not filed an initial franchise
registration application with the Securities Division, and would not do so until October 4, 2022. That
application has not been approved by the Securities Division, and, consequently, the Securities Division has
not issued Mobiledumps a license to offer and sell its franchises in Washington. Despite this, in December
2022, the Washington residents paid an initial \$25,000 franchise fee and entered into a franchise agreement
with Mobiledumps.

Mobiledumps promotes its franchise on the website mobiledumps.com (the "website"),
which is available to the general public. The website has a tab labelled "Franchising" on which
Mobiledumps identifies what it believes to be the traits and characteristics that will lead to success as a
franchisee. Elsewhere on the website, Mobiledumps lists reasons why a Mobiledumps franchise is an
appealing investment. Finally, the website invites interested parties to provide their contact information
which Mobiledumps will use to contact them.

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CONSENT ORDER

6. In December 2022, another Washington resident reached out to Mobiledumps to learn more 1 about the franchise opportunity after viewing the website. Mobiledumps and the Washington resident 2 exchanged messages thereafter, but Mobiledumps did not sell him a franchise. 3 False Statements to the Securities Division 4 7. In January 2023, the Securities Division told Mobiledumps' counsel that it had found a page 5 6 on the website that stated that a Mobiledumps location was "coming soon" to Spokane. The Securities Division brought this to the attention of Mobiledumps' counsel, who stated that Mobiledumps had not sold a 7 franchise in Spokane, that the "coming soon" message was prompted by a prospect who had expressed 8 9 interest in operating a franchise in Spokane, and that it had been removed from the website. 8. In February 2023, the Securities Division showed to Mobiledumps' counsel, a December 19, 10 2022 post on Mobiledumps' Facebook page that stated, among other things, that Spokane was its "newest 11 location," and that it would begin business in February 2023. After speaking to her client, counsel stated to 12 the Securities Division that Mobiledumps had provided inaccurate information about its activity in 13 Washington to her, and that Mobiledumps had in fact sold the franchise, discussed in Paragraph 4 above, 14 that would cover the greater Spokane area. 15 Registration Status 16 9. Respondent, Mobiledumps Franchising, LLC, is not currently registered to sell its franchises 17 in the State of Washington and has not previously been so registered. 18 19 **CONCLUSIONS OF LAW** 20 Based upon the above Findings of Fact, the following Conclusions of Law are made: 21 1. The offer and/or sale of franchises described above constitutes the offer and/or sale of a 22 franchise as defined in RCW 19.100.010(6), RCW 19.100.010(12), and RCW 19.100.010(17). 23 CONSENT ORDER

2. The offer and/or sale of said franchises is in violation of RCW 19.100.020 because no 1 registration or exemption for such offer and/or sale by Respondent, Mobiledumps Franchising, LLC, was on 2 file with the Securities Administrator at the time of such offer and/or sale. 3 3. Respondent, Mobiledumps Franchising, LLC, violated RCW 19.100.170(1) because it stated, 4 through counsel, to the Division that it had not sold a franchise in Washington, when, in fact, it had. 5 6 **CONSENT ORDER** Based upon the foregoing and finding it in the public interest: 7 IT IS AGREED AND ORDERED that Respondent Mobiledumps Franchising, LLC and its agents and 8 9 employees shall each cease and desist from offering or selling franchises in violation of RCW 19.100.020, the registration section of the Franchise Investment Protection Act of the state of Washington. 10 IT IS FURTHER AGREED AND ORDERED that Respondent Mobiledumps Franchising, LLC, and 11 its agents and employees shall each cease and desist from any violation of RCW 19.100.170, the anti-fraud 12 section of the Franchise Investment Protection Act of the State of Washington. 13 14 IT IS FURTHER AGREED that Respondent shall pay a fine in the amount of \$1,000 prior to the entry 15 of this Consent Order. 16 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order. 17 IT IS FURTHER AGREED that Respondent Mobiledumps Franchising, LLC, enters into this Consent 18 Order freely and voluntarily and with a full understanding of its terms and significance. 19 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Mobiledumps 20 Franchising, LLC waives its right to a hearing and to judicial review of this matter. 21 22 23 CONSENT ORDER DEPARTMENT OF FINANCIAL INSTITUTIONS **Securities Division** PO Box 9033 Olympia, WA 98507-9033 360-902-8760 4

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2	Signed this <u>21st</u> day of <u>April</u>	, 2023.
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4	Signed by:	Approved as to form by:
5	Mobiledumps Franchising, LLC	
6	By <u>s/Charles Morrison</u>	
7	Name <u>Charles Morrison</u>	Attorney for Respondent
8		<u>VA 77735</u> Bar No.
9	Title <u>CEO</u>	_
10	SIGNED and ENTEDED this 17	day of May , 2023
11	SIGNED and ENTERED this $1/$	_day of <u>May</u> , 2023
12		
13	A CONTRACTOR	<u>_s/</u> William M. Beatty
14		Securities Administrator
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16	A LE LE LE	
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19		
20	Approved by:	Presented by:
21		
22	<u>s/</u> Brian J. Guerard	_ <u>s/</u> Edward R. Thunen
23	Chief of Enforcement	Financial Legal Examiner
	CONSENT ORDER	DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division
		PO Box 9033 Olympia, WA 98507-9033 360-902-8760

1	Reviewed by:
2	Keviewed by.
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4	Huong Lam Financial Legal Examiner Supervisor
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