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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:

Michael Jardine a.k.a. Mike Jardine;
TS Franchise, LLC; and
MWJ Holdings LLC d.b.a. Twisted Sugar,

Respondents.

Order No. S-23-3550-23-SC01

STATEMENT OF CHARGES

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THE STATE OF WASHINGTON TO:

Michael Jardine a.k.a. Mike Jardine;
TS Franchise, LLC; and
MWJ Holdings LLC d.b.a. Twisted Sugar

Please take notice that the Securities Administrator for the state of Washington has reason to believe that Respondents Michael Jardine a.k.a. Mike Jardine, TS Franchise, LLC, and MWJ Holdings LLC d.b.a. Twisted Sugar (collectively “Respondents”) have violated the Franchise Investment Protection Act of Washington (“the Franchise Act”), RCW 19.100, and that their violations justify the entry of an order of the Securities Administrator under RCW 19.100.248 to cease and desist from such violations. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondents

1. TS Franchise, LLC (TS Franchise) was a Utah limited liability company formed on August 14, 2018, with its principal place of business in Syracuse, Utah. TS Franchise was in the business of offering Twisted Sugar franchises, a retail cookie store chain, from 2018 through 2020.

CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

1 2. MWJ Holdings LLC (“MWJH”) is an Arizona limited liability company that was formed on
2 December 9, 2020, with its principal place of business located in Layton, Utah. From December 2020 through
3 mid-2023, it was in the business of offering Twisted Sugar franchises, a retail cookie store chain.

4 3. Michael Jardine (“Jardine”) is the founder and Chief Executive Officer of MWJH. Jardine was
5 the founder and principal of TS Franchise.

6 **Nature of Conduct**

7 4. From approximately 2018 and into 2023, Respondents Jardine, MWJH and its predecessor TS
8 Franchise LLC have offered Twisted Sugar franchises. Respondents offered Twisted Sugar franchises for sale
9 to the public on their website at www.twisted-sugar.com.

10 5. In September 2020, a Washington resident (“the Resident”) contacted Jardine about the
11 possibility of purchasing a Twisted Sugar franchise to be operated in Washington. Over a period of time,
12 Jardine and the Resident exchanged emails and spoke by phone regarding the sale of a Twisted Sugar
13 franchise.

14 6. In October 2020, Jardine emailed the Resident with a combined profit and loss statement for
15 his Layton and Syracuse stores. Jardine told the Resident that he ran them as one store since he did the baking
16 for both. Jardine failed to disclose material facts regarding the information such as the fact that the profit and
17 loss statements did not disclose the lack of inclusion of royalty fees, potential franchisor and affiliate markups
18 on goods purchased, and relevant and material information for other existing Twisted Sugar franchisees.

19 7. In April 2021, Jardine emailed the Resident a copy of the Twisted Sugar franchise disclosure
20 document (“FDD”). The FDD is required to be given to prospective Washington franchise purchasers and
21 provide them with material information about the franchise investment opportunity. Jardine provided the
22 Resident with an FDD that stated in Item 19 that:
23

1 We do not make any representations about a franchisee's future financial
2 performance or the past financial performance of company-owned or
3 franchised outlets. We also do not authorize our employees or
4 representatives to make any such representations either orally or in
5 writing. If you are purchasing an existing outlet, however, we may provide
6 you with the actual records of that outlet. If you receive any other
7 financial performance information or projections of your future income,
8 you should report it to the Federal Trade Commission, the appropriate state
9 regulatory agencies, and our management by contacting our Michael Jardine
10 at 377 E. Gentile Street, Layton, Utah 84041 or by phone at (801) 399-2323.

11 Jardine failed to include the financial performance information previously provided to the Resident and other
12 material information in the FDD.

13 8. Jardine and MWJH provided the Resident with an FDD and franchise agreement that included
14 the right to operate a franchise under the name "Twisted Sugar" and use the Twisted Sugar trade names,
15 trademarks, service marks, and logotypes.

16 9. Under the franchise agreement, Jardine and MWJH were obligated to approve a suitable
17 location for the Washington store and to provide the Resident with initial and periodic training, initial supplies
18 and inventory, marketing materials and plan, operations manual and maintain a website to include a local
19 landing page for the Resident's store.

20 10. In mid-2021, the Resident paid Jardine and MWJH an initial franchise fee of \$10,000 for the
21 first of three stores to be opened. Jardine and MWJH charged the Resident an ongoing monthly royalty fee of
22 4% of gross revenues.

23 11. Respondents are not currently registered to offer or sell Twisted Sugar franchises in the state
of Washington and have not previously been so registered.

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

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1 **CONCLUSIONS OF LAW**

2 1. The offer or sale of franchises as described above constitutes the offer or sale of a franchise
3 as defined in RCW 19.100.010(6), RCW 19.100.010(12), and RCW 19.100.010(17).

4 2. Respondents’ offer and sale of a franchise as described above constitutes the offer and/or sale
5 of an unregistered franchise in violation of RCW 19.100.020.

6 3. Jardine and MWJH offered franchises in violation of RCW 19.100.170 because they made a
7 false and misleading statement and/or failed to disclose material information relating to its FDD financial
8 performance representations.
9

10 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

11 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities
12 Administrator intends to order that Respondents and their agents and employees, each shall cease and desist
13 from violations of RCW 19.100.020 and that Jardine and MWJH, and their agents and employees, each shall
14 cease and desist from violations of RCW 19.100.170.

15 **AUTHORITY AND PROCEDURE**

16 This Order is entered pursuant to the provisions of RCW 19.100.248 and is subject to the provisions
17 of Chapter 34.05 RCW. Each Respondent may make a written request for a hearing as set forth in the
18 NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
19 order. If a Respondent does not request a hearing within the allowed time, the Securities Administrator
20 intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and enter an order to
21 cease and desist permanent as to that Respondent.

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SIGNED and ENTERED this 3rd day of November, 2023 by



/s/

William Beatty
Securities Administrator

Approved by:

/s/
Brian Guerard
Chief of Enforcement

Presented by:

/s/
Martin Cordell
Financial Legal Examiner

Reviewed by:

/s/
Huong Lam
Financial Legal Examiner Supervisor