

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Washington Franchise Investment
Protection Act by:

Fitness For Life Franchise Corporation,

Respondent.

SDO - 075 - 02

CONSENT ORDER

Case No. 02-07-272

INTRODUCTION

The Securities Division, Department of Financial Institutions, State of Washington, and Respondent, Fitness For Life Franchise Corporation, do hereby agree to this Consent Order in settlement of the matters alleged herein. Respondent neither admits nor denies the Tentative Findings of Fact and Conclusions of Law as set forth below.

TENTATIVE FINDINGS OF FACT

I.

Fitness For Life Franchise Corporation is an Arizona corporation with a principal business address of 399 Perry Street, Suite 300, Castle Rock, Colorado 80104.

II.

Fitness For Life Franchise Corporation is in the business of granting franchises for a comprehensive system of providing individualized personal fitness training. Fitness For Life Franchise Corporation franchisees are assigned individual franchise territories and are required to operate under the name "Fitness Together" and use the service mark "Fitness Together 1 Client, 1 Trainer, 1 Goal." They are obligated to pay franchise fees, and are entitled to training in the promotion and operation of the business. Franchisees are also entitled to the use of an operations manual containing mandatory and suggested specifications, standards and procedures, and are also entitled to other ongoing merchandising, marketing and other advice.

III.

On June 11, 2002, Fitness For Life Franchise Corporation filed or caused to be filed with the Securities Division an initial application to register its personal fitness training opportunity in Washington (Franchise Registration Application File No. 70012178) pursuant to Washington's Franchise Investment Protection Act. The Uniform Franchise Offering Circular filed with the application, along with other materials, indicated that Fitness For Life Franchise Corporation had sold its opportunity to a Delaware limited liability company for the operation of one of the opportunities within the state of Washington prior to the date of application.

IV.

Fitness For Life Franchise Corporation is not currently and has not previously been registered to offer or sell franchises in the state of Washington.

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

CONCLUSIONS OF LAW

I.

The offer and/or sale of the personal fitness training opportunity described in Tentative Findings of Fact I through II above constitutes the offer and/or sale of a franchise as defined in RCW 19.100.010(4).

II.

The offer and/or sale of at least one such franchise as described in Tentative Findings of Fact I through IV above was in violation of RCW 19.100.020 because no franchise registration was in effect with the Administrator of Securities of the State of Washington nor permit issued to Respondent Fitness For Life Franchise Corporation for the offer and/or sale of the franchise to the Washington resident.

ORDER AND CONSENT

CONSENT ORDER

2

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

Fitness For Life Franchise Corporation

1 Based on the premises of the foregoing:

2 IT IS THEREFORE AGREED AND ORDERED that Fitness For Life Franchise Corporation, its employees
3 and agents each shall refrain from the offer and/or sale of franchises in the State of Washington in violation of
4 RCW19.100.020, the registration requirement provision of the Franchise Investment Protection Act.

5 IT IS THEREFORE AGREED that Fitness For Life Franchise Corporation shall disclose the existence and
6 contents of this Order in any franchise registration disclosure document approved for use in the State of Washington,
7 such requirement commencing from the date of entry of this Order.

8 IT IS THEREFORE AGREED that Fitness For Life Franchise Corporation shall inform all employees and
9 agents who offer franchises in the State of Washington of the existence and contents of this Order for a period of three
10 years from the date of entry of this Order.

11 IT IS THEREFORE AGREED AND ORDERED that this Order shall remain in force and effect for a period
12 of three years from the date of entry of this Order.

13 IT IS THEREFORE AGREED that Fitness For Life Franchise Corporation shall reimburse the
14 Securities Division \$500 for its costs of investigation payable prior to the Securities Division's entry of this
15 Order.

16 IT IS THEREFORE AGREED that Fitness For Life Franchise Corporation waives its rights to a hearing in
17 this matter.

18 IT IS THEREFORE AGREED that the Securities Division has jurisdiction to enter this Order.

19
20 WILLFUL VIOLATION OF AN ORDER OF THE SECURITIES ADMINISTRATOR IS A FELONY.
21
22
23
24

25 Fitness For Life Franchise Corporation, by:

26 CONSENT ORDER

27 Fitness For Life Franchise Corporation

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

(Signature)

(Print Name and Title) Signed this _____ day of _____, 2002

This Order entered by the Securities Division this **6th** day of **August**, 2002.

By:

Deborah R Bortner

Deborah R. Bortner
Securities Administrator

Approved for entry by:

Michael Stevenson
Chief of Enforcement

Presented by:

Brad Ferber
Financial Legal Examiner