DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
FRANCHISE TRANSACTIONS UNIT
BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of:	)	**No. F-12-0033**
WINDOW WORLD, INC.	)	**ORDER TO CEASE AND DESIST AND ASSESSING CIVIL PENALTIES AND CONSENT TO ENTRY OF ORDER**

WHEREAS, the Director of the Oregon Department of Consumer and Business Services (the "Director"), acting by and pursuant to the authority of the Oregon Franchise Transactions Law, Oregon Revised Statutes ("ORS") 650.005 *et seq*, and other applicable authority, has conducted an investigation into the activities of **WINDOW WORLD, INC.** (hereafter "**WINDOW WORLD**");

WHEREAS, WINDOW WORLD does not wish to expend additional time or incur additional costs in connection with this matter, and seeks to obtain finality with respect to the Director's claims;

NOW THEREFORE, the Director hereby issues the following Findings of Fact and Conclusions of Law, which **WINDOW WORLD** neither admits nor denies, and Order, to which **WINDOW WORLD** consents, as evidenced by the Consent to Entry of Order attached hereto.

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Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

FINDINGS OF FACT

The Director **FINDS** that:

1. **WINDOW WORLD** is a North Carolina for-profit corporation, authorized to conduct business as a foreign business corporation in Oregon by the Oregon Secretary of State (Oregon Business Registry #741920-98). Its principal place of business, at all relevant times herein, was 118 Shaver Street, North Wilkesboro, North Carolina 28659.

2. Beginning in 2004, **WINDOW WORLD** offered and sold three (3) franchises, under the guise of "license agreements", in Oregon. Said "license agreement" granted the right to engage in the business of offering, selling, and installing windows, doors, and siding for residential and commercial use, under a marketing plan and/or system prescribed in substantial part by **WINDOW WORLD**. The operation of a **WINDOW WORLD** franchise involved reference to and/or compliance with the **WINDOW WORLD** "standard operating procedures manual." **WINDOW WORLD** mandated that each franchisee purchase products exclusively from a source it approved. **WINDOW WORLD** garnered revenue from each franchisee transaction with an approved vendor.

3. The operation of a **WINDOW WORLD** franchise, under the guise of a "license agreement", was substantially associated with **WINDOW WORLD**'s trade name, logo, and advertising. **WINDOW WORLD** sponsored, maintained, and promoted a general access website (www.windowworld.com) that listed franchise locations by state.

4. The **WINDOW WORLD** "license agreement" required the payment of monetary consideration by a franchisee to **WINDOW WORLD**. Payment of said monetary consideration was required at the time of entry into the "license agreement."

5. **WINDOW WORLD** failed to provide individuals or entities that purchased a franchise, under the guise of entering into a "licensing agreement", with a Uniform Franchise Offering Circular or Franchise Disclosure Document.

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CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

6. **WINDOW WORLD** offered and sold "franchises", as defined by ORS 650.005 (4).

7. **WINDOW WORLD**, in connection with the offer and sale of franchises in Oregon, failed to deliver a franchise disclosure document to each prospective franchisee, in violation of ORS 650.020 (1) (b) and Oregon Administrative Rule ("OAR") 441-325-0020 (3).

ORDER

Therefore, the Director **ORDERS** that:

8. **WINDOW WORLD** shall, pursuant to the authority granted by ORS 650.055, cease and desist from offering or selling franchises in violation of the Oregon Franchise Transaction Law, ORS 650.005 *et seq*., or its accompanying administrative rules.

9. **WINDOW WORLD** shall, pursuant to the authority granted by ORS 650.095, pay the sum of **NINE THOUSAND DOLLARS** ($9,000) as a civil penalty for all violations of ORS 650.005 *et seq.* described herein. Of this amount, the sum of **FIVE THOUSAND DOLLARS** ($5,000) shall be **SUSPENDED** so long as **WINDOW WORLD** does not violate the Oregon Franchise Transaction Law and/or its accompanying administrative rules – or the terms of this Order - for a period of three (3) years from the date of entry of this Order. (To the extent that **WINDOW WORLD** is found by the Director to have committed any such violation, the entire sum of **NINE THOUSAND DOLLARS** ($9,000), minus amounts previously paid, shall become immediately due and owing). The remaining **FOUR THOUSAND DOLLARS** ($4,000) shall be paid concurrent with entry of this Order.

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IT IS SO ORDERED.

Dated this 9th day of May 2012 at Salem, Oregon.

Patrick M. Allen, Director
Department of Consumer and Business Services

/s/ David Tatman

David C. Tatman, Administrator
Division of Finance and Corporate Securities

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CORPORATE CONSENT TO ENTRY OF ORDER

I, Tammy Whitworth state: that I am an officer of Window World, Inc., and am authorized to act on its behalf; that I have read the foregoing Order and fully understand the contents thereof; that Window World, Inc., voluntarily, and without any force or duress, consents to entry of this Order by the Director; that Window World, Inc. neither admits nor denies the Findings of Fact and Conclusions of Law contained herein, and expressly retains the ability to take a different factual or legal position in a forum in which the Director is not a party; that Window World, Inc. waives any right to a hearing in connection with the facts described in the foregoing Order; that Window World, Inc. has been represented by counsel in connection with this matter, and that I have had the opportunity to discuss the contents of this Order with counsel; that the Order contains the complete agreement of the parties, and that no additional promises or assurances have been made to Window World, Inc. by the Director with respect to matters described in the Order; that the Order resolves all claims by the Director with respect to matters described in the Order; that Window World, Inc. understands that this Order is a public document, and represents that it will fully comply with the terms and conditions stated herein.

/s/ Tammy Whitworth
Signature

Print Name: Tammy Whitworth

Print Title: CEO

State of NC

County of Wilkes

There appeared before me this 1st day of May, 2012, Tammy Whitworth, who was first duly sworn on oath, and stated that he/she is an officer of Window World, Inc. and is authorized and empowered to sign this Consent To Entry of Order on behalf of Window World, Inc.

Jan E. Kilby
(Printed Name of Notary Public)
Notary Public
for the State of: NC

My commission expires: 5/17/14

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