

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of,

LAURENT PERRON,

Respondent.

CONSENT ORDER TO CEASE
AND DESIST AND IMPOSING
ADMINISTRATIVE ASSESSMENT

DFI Case No. S-242060 (FX)

I.

The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities (“Division”), having legal authority and jurisdiction to administer and enforce the Wisconsin Franchise Investment Law, Wis. Stats. Ch. 553 (“Ch. 553”) and rules and orders promulgated thereunder, and having determined that this action is necessary and appropriate in the public interest and for the protection of investors, hereby enters this Order as follows:

II.

Division staff have presented evidence sufficient for the Administrator to make the following findings of fact and conclusions of law:

A. Findings of Fact

Respondent

1. Laurent Perron (“Perron”) is an adult male resident of Texas with a last known address of 33 Fm 3351 N, Bergheim, TX 78004.

Conduct

2. Margarita Man HQ, LLC d/b/a The Margarita Man (hereinafter, “The Margarita Man”) is an Oklahoma limited liability company formed on March 14, 2019. The Margarita Man was originally formed in 1984 by Perron, who operated through two Texas corporations, Manchise, Ltd. and MMMix Ltd. In approximately August 2019, the business was sold to new owners, who purchased all its assets, contracts, license agreements, and franchise agreements. The Margarita Man has a last known business address of 601 S. Washington St. #303, Stillwater, Oklahoma 74074.
3. In late 2017, The Margarita Man and Perron advertised business opportunities to Wisconsin residents whereby, The Margarita Man would grant franchisees the right to operate a business using The Margarita Man System and trademarks, products, and proprietary

information. The business involves renting out and delivering The Margarita Man brand frozen beverage machines, which dispense The Margarita Man brand frozen drink mixes. Franchisees are provided with an operations manual that provides guidance on how to establish, equip, staff, operate, market, supply, and advertise their business.

4. On or about January 1, 2018, The Margarita Man and Perron entered into a franchise agreement with an adult male and adult female Wisconsin resident (“Franchisees PK and CL” respectively). Pursuant to the franchise agreement entered into with Franchisees PK and CL:
 - a. Franchisees PK and CL were granted the right to operate a business using The Margarita Man System and trademarks, products, and proprietary information;
 - b. The term of the agreement was for 10 years;
 - c. Franchisees PK and CL were required to pay an initial fee of \$4,495;
 - d. Franchisees PK and CL were granted the right to establish and operate one The Margarita Man System business within a protected territory;
 - e. Franchisees PK and CL were required to buy frozen drink mixes, ingredients, and branded containers and tools exclusively from The Margarita Man;
 - f. Franchisees PK and CL were required to meet minimum purchase requirements for frozen beverage supplies from The Margarita Man;
 - g. Franchisees PK and CL were required to obtain The Margarita Man’s approval for all advertising; and
 - h. Franchisees PK and CL were required to adhere to The Margarita Man’s standards for its business operations, including the standards laid out in The Margarita Man’s operations manual.
5. On or about July 22, 2019, The Margarita Man and Perron entered into a franchise agreement with another adult male Wisconsin resident (“Franchisee NZ”). Pursuant to the franchise agreement entered into with Franchisee NZ:
 - a. Franchisee NZ was granted the right to operate a business using The Margarita Man System and trademarks, products, and proprietary information;
 - b. The term of the agreement was for 10 years;
 - c. Franchisee NZ was required to pay an initial fee of \$3,495;
 - d. Franchisee NZ was granted the right to establish and operate one The Margarita Man System business within a protected territory;
 - e. Franchisee NZ was required to buy frozen drink mixes, ingredients, and branded containers and tools exclusively from The Margarita Man;
 - f. Franchisee NZ was required to meet minimum purchase requirements for frozen beverage supplies from The Margarita Man;
 - g. Franchisee NZ was required to obtain The Margarita Man’s approval for all advertising; and
 - h. Franchisee NZ was required to adhere to The Margarita Man’s standards for its business operations, including the standards laid out in The Margarita Man’s operations manual.

6. On or about December 26, 2017 Franchisees PK and CL paid the initial fee of \$4,500 to The Margarita Man and Perron.
7. On or about July 23, 2019, Franchisee NZ paid the initial fee of \$3,495 to The Margarita Man and Perron.
8. At no time has The Margarita Man, Perron, or any of their affiliates filed a franchise registration with the Division.
9. At no time did any of the Wisconsin franchisees described above receive an offering circular (also known as a franchise disclosure document) prior to entering to the franchise agreements.

B. Conclusions of Law

Legal Authority and Jurisdiction

10. The Administrator has legal authority and jurisdiction over the conduct described above, pursuant to Ch. 553 and the rules and orders promulgated thereunder.
11. The Margarita Man and Perron were a franchisor pursuant to Wis. Stat. § 553.03(6).
12. The agreements between The Margarita Man, Perron and Franchisees NZ, PK, and CL are franchises pursuant to Wis. Stat. § 553.03(4)(a).
13. Pursuant to Wis. Stat. § 553.21, no person may sell any franchise in Wisconsin unless the franchise has been registered under Ch. 553 or is exempted under Wis. Stats. §§ 553.23, 553.235 or 553.25.
14. Pursuant to Wis. Stat. § 553.27(4), no franchise subject to registration under Ch. 553 may be sold in Wisconsin unless a copy of an offering circular is provided to the prospective franchisee at least 14 days prior to the execution by the prospective franchisee of any binding franchise or other agreement with the franchisor or any affiliate of the franchisor, whichever first occurs.

Violations

15. As described above in ¶¶ 1-9, Perron violated Wis. Stat. § 553.21 when they sold a franchise in Wisconsin without being registered with the Division.
16. As described above in ¶¶ 1-9, Perron violated Wis. Stat. § 553.27(4) when they sold a franchise in Wisconsin without providing a copy of the offering circular for The Margarita Man to Franchisees NZ, PK and CL at least 14 days prior to the execution of the franchise agreement.

III.

In view of the above findings of fact and conclusions of law, the Administrator deems it necessary and appropriate in the public interest and for the protection of investors, and pursuant to its legal authority and jurisdiction under Ch. 553, to issue the following orders and notices:

A. Consent Orders issued pursuant to Wis. Stat. § 553.60

- (a) IT IS ORDERED that LAURENT PERRON, his agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of LAURENT PERRON, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of franchises unless and until such franchises are registered or are exempted from registration under Ch. 553 or successor statute.
- (b) IT IS ORDERED that an administrative assessment in the amount of \$5,000 is imposed on LAURENT PERRON, pursuant to Wis. Stat. § 553.605. Such payment shall be made payable to the Wisconsin Department of Financial Institutions and shall be remitted to the Division no later than 60 calendar days from the date of issuance of this Order.
- (c) PLEASE TAKE NOTICE that this order is effective upon the date it is made and filed, pursuant to Wis. Stat. § 553.58(5). This order and made and filed on the date of its issuance.

B. Service of Order

- (d) IT IS FURTHER ORDERED that this Order shall be sent promptly by certified mail to each party named in the order at his or her last known address or to the party's attorney of record or shall be personally served upon the party or the party's attorney of record, pursuant to Wis. Stat. § 553.58(5), Wis. Admin. Code §§ DFI-Sec. 36.01 and DFI-Sec. 8.06. This Order shall also be served upon the office of the Division pursuant to Wis. Stat. § 553.73.
- (e) PLEASE TAKE NOTICE that the date of the service of this Order is the date it is placed in the mail. If the Order is served personally, the date of service is the date personal service is completed upon the Respondent or the Respondent's attorney. You are advised that any willful violation of an Order issued by the Division under Ch. 553 is a criminal offense punishable under the provisions of Wis. Stat. § 553.52.

C. Notifications

- (f) IT IS NOTICED that this Order consented to by LAURENT PERRON prohibits LAURENT PERRON from making or causing to be made any offers or sales of franchises to any person or entity in Wisconsin, per the terms of the consent orders issued pursuant to Wis. Stat. § 553.60.

(g) IT IS FURTHER NOTICED that this Order is effective on the date it is issued. LAURENT PERRSON is advised that any willful violation of an Order issued by the Division under Ch. 553 is a criminal offense punishable under the provisions of Wis. Stat. § 553.52.

EXECUTED at Madison, Wisconsin, this 21st day of April, 2021.



Leslie M. Van Buskirk

Leslie M. Van Buskirk
Administrator

Division of Securities
State of Wisconsin
Department of Financial Institutions
4822 Madison Yards Way
Madison, Wisconsin 53705

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the matter of,

WAIVER AND
CONSENT TO
ORDER

LAURENT PERRON,

Respondent.
S-242060 (FX)

DFI Case No.

The undersigned Respondent, LAURENT PERRON, having decided not to contest the issuance of the attached Order, hereby waive their right to a hearing with respect to this matter, including waiving findings of fact and conclusions of law as may otherwise be required for the Order, and hereby consent to the issuance of the Order.

Respondent hereby acknowledges that, in exchange for Respondent's voluntary consent and agreement to cease and desist from further violations of Ch. 553, payment of administrative assessment, and other conditions as described in the attached Order, the Division agrees to forgo further legal action, and to resolve this matter by issuance of the attached Order.

The undersigned Respondent understands and agrees that the attached Order shall prohibit Respondent from offering and selling franchises in the State of Wisconsin except as allowed and described by the terms of the Order.

The undersigned Respondent understands the Order, when signed by the Administrator of the Division of Securities, is effective on the date issued and that a willful violation of an Order signed by the Administrator is a criminal offense pursuant to Wis. Stat. § 553.52.

Laurent Perron

LAURENT PERRON

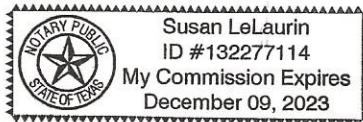
State of TEXAS)
County of BEXAR)

Subscribed before me this

14th day of April, 2021.

Susan LeLaurin
Notary Public

My commission is permanent/expires _____.





State of Wisconsin
Department of Financial Institutions

Tony Evers, Governor

Kathy Blumenfeld, Secretary

**AFFIDAVIT OF SERVICE
AND COMPLIANCE WITH WIS. STAT. § 551.611**

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, KATHERINE CLEMENTI, first being duly sworn, depose and state:

1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.
2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by certified mail upon Laurent Perron at his last known address of 33 Fm 3351 N, Bergheim, Texas 78004:
 - i. A copy of the Consent Order to Cease and Desist and Imposing Administrative Assessment, Waiver and Consent to Order; DFI Case No. S-242060 (FX); and
 - ii. A copy of this Affidavit of Service.
3. In compliance with Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07, I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Katherine Clementi

KATHERINE CLEMENTI

State of Wisconsin
Department of Financial Institutions
Division of Securities

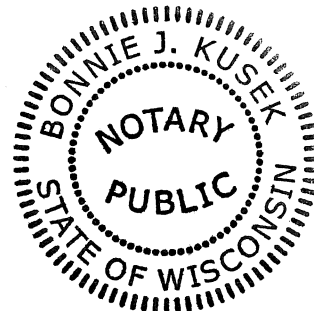
Subscribed and sworn to before me

This 21 day of April, 2021.

Bonnie J. Kusek

Notary Public, State of Wisconsin
My commission expires 2/12/2024

(Notary Seal)



Division of Securities

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Courier: 4822 Madison Yards Way, Madison, WI 53705
Voice: (608) 261-9555 Fax: (608) 264-7979 Web: www.wdfi.org