State of California - Department of Corporations

STATE OF CALIFORNIA

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF CORPORATIONS

TO: Mr. James R. Schantz, President
Ms. Suzy Schantz, Vice President
Mr. Jeffery Flannigan, Dir. of Franchise Development
Wayne's Screen Machine, Inc.
Wayne's Screen Machine, Inc. dba The Screen Machine
4173 First Street
Livermore, CA 94551
or
830 Orange Ave., Suite A3
Coronado, CA 92118
or
1522-A Second Ave.
Walnut Creek, CA 94596

FIRST AMENDED DESIST AND REFRAIN ORDER

(For violations of section 31110 of the Corporations Code)

The California Corporations Commissioner (Commissioner) finds that:

1. Wayne's Screen Machine, Inc., is a California Corporation that incorporated on March 4, 1986. Its corporate filings with the California Secretary of State list an address of 830 Orange Ave, Suite A3, Coronado, CA 92118. According to its present website, www.goscreenmachine.com, its principal business address is 4173 First St., Livermore, California, 94551. However, its prior website, www.screen-machine.com, listed an additional address: 1522-A Second Ave., Walnut Creek, California, 94596. Wayne's Screen Machine, Inc. also does business under the name, "The Screen Machine."

2. According to the California Secretary of State, Wayne's Screen Machine, Inc.'s corporate status is presently "suspended."

3. James R. Schantz, Suzy Schantz, and Jeffery Flannigan are natural persons and

residents of California.

4. James R. Schantz is the President of Wayne's Screen Machine, Inc. James R. Schantz is also listed as the Agent for Service of Process for Wayne's Screen Machine, Inc. in corporate filings with the California Secretary of State at the 830 Orange Ave., Suite A3, address above.

5. As of July, 2004, Suzy Schantz was a Vice President of Wayne's Screen Machine, Inc. The Commissioner believes she still holds that position.

6. As of November, 2006, Jeffery Flannigan was the Director of Franchise Development of Wayne's Screen Machine, Inc. The Commissioner believes he still holds that position.

7. Although Wayne's Screen Machine, Inc. was previously registered to sell franchises in the State of California, it failed to renew its registration. On July 22, 2004, by Order of the Commissioner of the Department of Corporations, Wayne's Screen Machine, Inc.'s application for renewal of its registration was deemed abandoned.

8. Wayne's Screen Machine, Inc. has failed to file any further applications for registration or for renewal of its registration to sell franchises. Currently, Wayne's Screen Machine, Inc. is not registered to sell franchises in the State of California.

9. As of November 14, 2006, Wayne's Screen Machine, Inc. was offering franchises for sale on its website. However, its website at that time, www.thescreen-machine.com was taken down and was no longer on the internet.

10. However, as of June 18, 2008, Wayne's Screen Machine, Inc.'s new website, www.goscreenmachine.com, is offering unregistered franchises for sale in California in violation of the Franchise Investment Law (California Corporations Code sec. 31110).

7. By clicking on the "Franchise Information" tab, California residents are directed to e-mail jrschantz@screenmachinefranchise.com. Further, interested potential franchisees can call a toll free number where franchises are offered for sale. The phone number(s) are listed under the "Contact Us" tab and are listed as Franchise Sales numbers.

8. The Commissioner is informed and believes that the franchisor, Wayne's Screen Machine, Inc., has and is currently offering unregistered franchises in the state of California.

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Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that James R. Schantz, Suzy Schantz, Jeffery Flannigan, Wayne's Screen Machine, Inc., and Wayne's Screen Machine, Inc. dba The Screen Machine have offered and/or sold franchises and are continuing to offer and sell franchises in California that were subject to registration under the Franchise Investment Law without the offers and/or sales first being registered, in violation of Corporations Code section 31110.

Pursuant to section 31402 of the Corporations Code, James R. Schantz, Suzy Schantz, Jeffery Flannigan, Wayne's Screen Machine, Inc., and Wayne's Screen Machine, Inc. dba The Screen Machine are hereby ordered to desist and refrain from the further offer or sale of Wayne's Screen Machine, Inc., and/or Wayne's Screen Machine, Inc. dba The Screen Machine franchises unless and until the offers have been duly registered under the Franchise Investment Law, or are exempt.

This Order is necessary, in the public interest, for the protection of investors and franchisees and consistent with the purposes, policies and provisions of the Franchise Investment Law.

Dated: June 18, 2008
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By: _____
ALAN S. WEINGER
Acting Deputy Commissioner
Enforcement Division

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