State of California - Department of Corporations

STATE OF CALIFORNIA

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF CORPORATIONS

TO: Mr. J. 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

and/or

1522-A Second Ave.
Walnut Creek, CA 94596

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 principal business address is 4173 First St., Livermore, California, 94551 (although its website, www.screen-machine.com also lists an address of 1522-A Second Ave., Walnut Creek, California, 94596). Mr. J. R. Schantz is listed as its President and agent for service of process.

2. Wayne's Screen Machine, Inc., also does business as "The Screen Machine."

3. J. R. Schantz, Suzy Schantz, and Jeffery Flannigan are natural persons and residents of California. As of July, 2004, J. R. Schantz was the President of Wayne's Screen Machine, Inc. Suzy Schantz was a Vice President of Wayne's Screen Machine, Inc. Jeffery Flannigan was the Director of Franchise Development of Wayne's Screen Machine, Inc.

4. Although Wayne's Screen Machine, Inc. has previously been registered to sell franchises in the State of California, by Order of the Commissioner of the Department of Corporations on July 22, 2004, Wayne's Screen Machine, Inc.'s application for renewal of its registration was abandoned.

5. Since Wayne's Screen Machine, Inc., abandoned their renewal application in 2004, Wayne's Screen Machine, Inc., is currently not registered to sell franchises in the state of California.

6. As of November 14, 2006, Wayne's Screen Machine, Inc., is offering franchises for sale on its website.

7. Further, interested potential franchisees can call a toll free number where franchises are offered for sale.

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

Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that J. 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, J. 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: November 14, 2006
Sacramento, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By:_____
SHARON A. LUERAS
Lead Corporations Counsel
Enforcement Division

State of California - Department of Corporations