State of California - Department of Corporations

STATE OF CALIFORNIA

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF CORPORATIONS

TO: Window World, Inc.
118 Shaver Street
North Wilkesboro, NC 28659

DESIST AND REFRAIN ORDER

(For violations of section 31110 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Window Word, Inc. ("Window World") is a corporation formed in North Carolina on April 7, 1997. Its principal place of business is 118 Shaver Street, North Wilkesboro, North Carolina 28659. Leon Whitworth was the founder of Window World. The company maintains a website at www.windowworld.com.

2. Beginning in 2002, Window World offered and sold franchises, pursuant to "License Agreements", in the state of California. The "licenses" offered and sold by Window World are franchises within the meaning of California Corporations Code section 31005. The "license agreement" grants the franchisee the right to engage in the business of offering and selling products and services, specifically the ownership and operation of a Window World business site selling and installing windows for residential and commercial use, pursuant to a prescribed marketing plan and system; a standard operating procedures manual; confidential and proprietary trade and design methods, techniques, and secrets; startup and ongoing training sessions; national advertising; a website at www.windowworld.com that identifies the locations of franchisees throughout the country including California; a right to exclusive franchise territories; and a prohibition of competition in a substantially similar or competitive business activity. The "licenses" are substantially associated

with the trade name "Window World". In addition, in order to enter into the business, the franchisee is required to pay Window World a franchise fee of over $5,000.

3. On October 27, 2011 Window World became a registered franchisor in California, but prior to that date it offered and sold franchises that were not registered in California under the Franchise Investment Law and were not exempted under Chapter 1 of that law, beginning with Corporations Code section 31100.

Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that Window World, Inc. has offered and sold franchises in California that were subject to registration under the Franchise Investment Law without the offers and sales first being registered, in violation of Corporations Code section 31110. Pursuant to section 31402 of the Corporations Code, Window World, Inc. is hereby ordered to desist and refrain from the further offer or sale of franchises unless the offers are registered under the Franchise Investment Law or are exempt.

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

Dated: November 29, 2011
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
ALAN S. WEINGER
Deputy Commissioner

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