

1
2 **STATE OF CALIFORNIA**
3 **BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY**
4 **DEPARTMENT OF BUSINESS OVERSIGHT**

5 TO: QUICKSUBS®
6 QUICKSUBS® Holdings
7 QuickSubs! Live Healthy!
8 Lord Brice Barrington
9 10541 National Blvd., Apt. 15
10 Los Angeles, California 90035

11 **DESIST AND REFRAIN ORDER**
12 **(For violations of sections 31110 and 31201 of the California Corporations Code)**

13 The Commissioner of Business Oversight (“Commissioner”) finds that:

14 1. At all relevant times, QUICKSUBS® and QUICKSUBS® Holdings, operating under the
15 brand/logo QuickSubs! Live Healthy! (collectively, “Quick Subs”), was a business entity of unknown
16 status with a principal business address of 10541 National Boulevard, Apartment 15, California,
17 90035. Quick Subs also maintained a website at www.quicksubstores.com.

18 2. At all relevant times, Lord Brice Barrington, formerly known as Xavier Alonzo Graham
19 (“Barrington”), was the founder and a control person of Quick Subs.

20 3. Commencing in or about March 2014 through at least June 2014, Quick Subs and
21 Barrington offered and sold sandwich shop franchises to California residents under the brand/logo
22 QuickSubs! Live Healthy!

23 4. The Quick Subs website and promotional materials stated, “We’re building a more
24 affordable Subway Style Store chain.” Quick Subs offers a “turn-key operation” sandwich shop
25 operating under a set menu and trademarked brand in a city of one’s choice for as little as \$199,000.

26 5. Quick Subs claimed to offer a world-class “business opportunity support system”
27 consisting of product development, assistance with advertising, purchasing cooperative, and field
28 support. Additionally, prospective store owners were promised ongoing marketing and training
support (usually eight weeks), no credit check or proof of funds requirement, quick build-out time (60

1 to 90 days), interest-free, “in-house” financing, and the option to purchase an exclusive territory for
2 an additional \$75,000.

3 6. A Quick Subs brochure further stated there were no franchise fees, no royalties, no
4 advertising fees, no monthly service fees, and no revenue split.

5 7. In or about April 2014, Quick Subs and Barrington offered and sold a Quick Subs
6 franchise to a California resident for a fee of \$15,000. An additional offer was made to the
7 Commissioner’s investigator in June 2014.

8 8. The purchase agreements offered and sold by Quick Subs and Barrington constitute
9 franchises within the meaning of California Corporations Code section 31005.

10 9. The offer and sale of Quick Subs franchises in California has not been registered under the
11 Franchise Investment Law and is not exempted under Chapter 1, beginning with California
12 Corporations Code section 31100, of that law.

13 10. California Corporations Code section 31402 provides in relevant part:

14
15 If, in the opinion of the commissioner, the offer of any franchise is
16 subject to registration under this law and it is being, or it has been,
17 offered for sale without the offer first being registered, the commissioner
18 may order the franchisor or offeror of that franchise to desist and refrain
19 from the further offer or sale of that franchise unless and until the offer
20 has been duly registered under this law. If, after the order has been made,
21 a request for a hearing is filed in writing within 60 days from the date of
22 service of the order by the person on to whom the order was directed, a
23 hearing shall be held in accordance with Chapter 5 (commencing with
24 Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code

25
26 If that person fails to file a written request for hearing within 60 days of
27 the date of service of the order, the order shall be deemed a final order of
28 the commissioner and shall not be subject to review by any court or
agency, notwithstanding Section 31501.

11. Corporations Code section 31201 provides:

It is unlawful for any person to offer or sell a franchise in this state by
means of any written or oral communication not enumerated in Section
31200 which includes an untrue statement of a material fact or omits to
state a material fact necessary in order to make the statements made, in

1 the light of the circumstances under which they were made, not
2 misleading.

3 12. Beginning as early as April 2014, Quick Subs and Barrington made misrepresentations
4 and omissions of material fact in connection with the offer and sale of a Quick Subs franchise,
5 including but not limited to the following:

- 6 a. Failing to disclose that Quick Subs was not registered to offer or sell franchises in
7 California;
- 8 b. Failing to disclose that Quick Subs was not incorporated in any state;
- 9 c. Misrepresenting that “QUICKSUBS®” is a registered trademark when, in fact, an
10 application for only the “Quick Subs! Live Healthy!” mark had been submitted to the
11 United States Patent and Trademark Office on May 14, 2014;
- 12 d. Failing to advise prospective franchisees of the high risk for litigation arising from the
13 use of branding markedly similar to that of a trademarked franchise;
- 14 e. Failing to disclose that on March 20, 2014, Barrington had received a Desist and
15 Refrain Order from the Commissioner finding that the substantially similar Quick
16 Mart stores “business opportunity” he was offering constituted a franchise under the
17 California Franchise Investment Law and ordering Barrington to not engage in the
18 further offer or sale of unregistered franchises in this state;
- 19 f. Failing to disclose that Barrington had also been ordered on March 20, 2014, to
20 disgorge all initial franchise fees collected from Quick Mart franchisees;
- 21 g. Failing to disclose the existence of several state and federal tax liens filed against
22 Barrington personally; and,
- 23 h. Failing to disclose to potential franchisees the business experience and litigation
24 histories of Quick Subs and its principal officers, including Barrington’s prior felony
25 convictions for robbery and grand theft by embezzlement.

26 Based on the foregoing findings, the Commissioner of Business Oversight is of the opinion
27 that QUICKSUBS® and QUICKSUBS® Holdings, operating under the brand/logo QuickSubs! Live
28

1 Healthy!, and Lord Brice Barrington have engaged in the offer and sale of franchises in this state that
2 are subject to registration under the California Franchise Investment Law without the offers first
3 being registered, in violation of California Corporations Code section 31110. Pursuant to California
4 Corporations Code section 31402, QUICKSUBS® and QUICKSUBS® Holdings, operating under
5 the brand/logo QuickSubs! Live Healthy!, and Lord Brice Barrington are hereby ordered to desist and
6 refrain from the further offer or sale of franchises unless and until the offers have been duly
7 registered under the California Franchise Investment Law or unless exempt.
8

9 This Order is necessary, in the public interest, for the protection of investors and consistent
10 with the purposes, policies and provisions of the California Franchise Investment Law.
11

12 Dated: December 19, 2014

JAN LYNN OWEN
Commissioner of Business Oversight

13
14
15 By _____
16 Mary Ann Smith
17 Deputy Commissioner
18 Enforcement Division
19
20
21
22
23
24
25
26
27
28