

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
SECURITIES DIVISION
1511 PONTIAC AVENUE
CRANSTON, RI 02920**

IN THE MATTER OF :
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 :
SmartPA GLOBAL LTD, :
ANDREW WRIGHT, and : **DBR No. 18-SC-003**
SARRA BEJAOU, et al., :
 :
RESPONDENTS. :
 :
 :

**ORDER TO CEASE AND DESIST, NOTICE OF
OPPORTUNITY FOR A HEARING AND NOTICE OF
INTENT TO IMPOSE ADMINISTRATIVE ASSESSMENTS**

The Director of the Rhode Island Department of Business Regulation ("Director") hereby issues this Order to Cease and Desist, Notice of Opportunity for a Hearing and Notice of Intent to Impose Administrative Assessment ("Order") to SmartPA Global Ltd., Andrew Wright, and Sarra Bejaoui, *et al.* ("Respondents"), pursuant to R.I. Gen. Laws § 19-28.1-18, § 19-28.1-19 and § 19-28.1-25, the Rhode Island Franchise Investment Act (the "Act"), and the Department's Rules of Procedure for Administrative Hearings, 230-RICR-10-00-2 ("Rules of Procedure"). This Order is effective upon issuance.

The Director issues this Order based on the following findings:

1. Upon information and belief, SmartPA Global LTD, 44 Melville Street, Edinburgh EH3 7HF United Kingdom is a business entity incorporated in the United Kingdom (Scotland) recently doing business in the State of Rhode Island via the internet ("Respondent SmartPA").
2. Upon information and belief, SmartPA is a franchise marketing system that equips the franchisee with knowledge and support in completing administrative functions on behalf of clients generated through the marketing system. The Respondents' website advertises a franchise: "Start a SmartPA Franchise Business."
3. Upon information and belief, Andrew Wright ("Respondent Wright") is the CEO and a Director of SmartPA, and upon information and belief, Sarra Bejaoui ("Respondent Bejaoui ") is a Director of SmartPA.

4. On June 19, 2018 the Rhode Island Department of Business Regulation, Securities Division (the "Division") received a complaint from a Rhode Island resident (the "Complainant") that SmartPA was selling and/or did sell a franchise business investment, specifically, the "SmartPA... Remote Personal Assistants" (the "SPARPA"), in this State without benefit of registration or exemption therefrom.
5. Subsequent investigation by the Division into this allegation determined that on August 21, 2017, the Respondent(s) sold SPARPA to the Complainant for \$15,000 (August 17, 2017 invoice entitled "Purchase of SmartPA Franchise License") with payment being made by Complainant to Respondent(s) via International Wire Transfer.
6. The Complainant contends that once the initial franchise fee was paid the Complainant received the SmartPA Partner Onboarding guide ("Guide"). The document and instructions contained in the Guide were specific to the United Kingdom ("UK") and not the United States ("USA") as promised. After making inquiries, the Respondent told the Complainant to ignore the UK specific instructions but to follow the rest of the information. According to the Complainant, attempts to complete the mandatory training were unsuccessful and frustrating. The Complainant decided to investigate the Respondent's background further and discovered that it was not registered in Rhode Island. The Complainant then sought the help of an attorney to rescind the agreement and obtain a refund of the fee paid.
7. On March 21, 2018, the Complainant's attorney sent a letter to the Respondent demanding a refund ("Demand Letter"). As of the execution of this Order, the Complainant has not received a response to the Demand Letter.
8. Upon information and belief, the SmartPA Guide requires the purchaser to pay an ongoing management fee per month. After a threshold is met, then the purchaser must pay a 10% royalty on all sales to SmartPA.
9. The Division contends that the SPARPA "Franchise License" sale constitutes a franchise sale and was sold without benefit of registration, or exemption therefrom, in violation of §19-28.1-5 of the Act.
10. The Act, § 19-28.1-3(7) states:

"Franchise" means:

- (i) An oral or written agreement, either express or implied, which:
 - (A) Grants the right to distribute goods or provide services under a marketing plan prescribed or suggested in substantial part by the franchisor;
 - (B) Requires payment of a franchise fee in excess of five hundred dollars (\$500) to a franchisor or its affiliate; and
 - (C) Allows the franchise business to be substantially associated with a trademark, service mark, trade name, logotype, advertising, or other commercial symbol of or designating the franchisor or its affiliate; or

(ii) A master franchise.

Based upon the foregoing, the Director determines that the activity of the Respondents constitutes a violation of the Act and the following action is appropriate for the protection of franchisees, and is consistent with the purposes fairly intended by the Act.

Accordingly, IT IS HEREBY ORDERED THAT:

- (1) Respondents and any person associated therewith shall immediately cease and desist from any further violation of the Act.
- (2) Respondents and any person associated therewith shall retain and maintain all written and computer records regarding its business activities and the subject offers and sales until further order of the Director.

Pursuant to R.I. Gen. Laws § 19-28.1-25(c), if the Director receives a request for a hearing within thirty days of the date of this Order, the Director shall set the matter for hearing within thirty days from the receipt of the request for hearing and shall promptly notify the parties of the time and place for hearing. If no hearing is requested, or if the person defaults after requesting a hearing, the Order becomes a Final Order and remains in effect unless vacated or modified by the Director pursuant to R.I. Gen. Laws § 19-28.1-25(d).

Pursuant to R.I. Gen. Laws § 19-28.1-18, if the Director reasonably believes that a violation of the Act has occurred, she may impose an administrative assessment not to exceed five thousand dollars (\$5,000.00) for each act or omission that constitutes a basis for issuing the Order, in addition to any specific powers granted under R.I. Gen. Laws § 19-28.1-1 *et seq.*

Dated as of the 4th day of September, 2018



Liz Tanner
Director
Rhode Island Department of Business Regulation

CERTIFICATION

I hereby certify on this 5th day of September 2018, that a true copy of this Order was sent by email to: andrew@smart-pa.com, and by FedEx to:

SmartPA Global
Attn: Andrew Wright and/or General Counsel
44 Melville Street
Edinburgh
EH3 7HF
United Kingdom

A handwritten signature in black ink, appearing to read "Andrew Wright", is written over a horizontal line.