

BEFORE THE  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF SECURITIES  
STATE OF WISCONSIN

---

In the Matter of  
PRO ONE JANITORIAL, INC., THOMAS  
VERBONCOUER and JEAN VERBONCOUER,

PETITION FOR ORDER  
(SUMMARY)

Respondents.

File S-98246(FX)

---

The staff of the Enforcement Unit, Registration & Enforcement Section, of The Division of Securities, Department of Financial Institutions, State of Wisconsin has conducted an investigation in this matter pursuant to sec. 553.55, Wis. Stats., and as a result thereof alleges as follows:

1. Pro One Janitorial, Inc. ("Pro One") is a Wisconsin business entity with a business address of 2201 South Oneida Street, Green Bay, Wisconsin 54304;
2. Thomas M. Verboncouer ("Verboncouer") is an adult individual with a home address of 1135 Valley View Road, Green Bay, Wisconsin 54304 and a business address at that of Pro One;
3. Jean C. Verboncouer ("JVerboncouer") is an adult individual with a home address of 1135 Valley View Road, Green Bay, Wisconsin 54304 and a business address at that of Pro One;
4. Contract Personnel Resources of Wisconsin, Inc. is a Wisconsin business entity with an address listed for the registered agent at that of the home address of Verboncouer;
5. Upon information and belief, Contract Personnel Resources of Wisconsin, Inc., CPR, Inc., Contract Personnel Resources, Inc. and CPR of WI, Inc. are one and the same corporate entity;
6. Upon information and belief, Verboncouer has been President, Secretary, Treasurer and Director of Pro One at all times material hereto;
7. Upon information and belief, JVerboncouer has been Vice President of Pro One at all times material hereto;
8. Upon information and belief, Verboncouer sold to at least one person in Wisconsin from the period of April 1, 1998 to December 30, 1998, a franchise in Pro One, as that term is defined in sec. 553.03(4)(a), Wis. Stats.;
9. A search of the records at the Department of Financial Institutions ("DFI") indicates Pro One was not registered to sell franchises in the State of Wisconsin at the time the franchise was sold to the person in Wisconsin;
10. The action described in Paragraph 6 above constitutes, under the circumstances, the sale of an unregistered franchise and, therefore, a violation of sec. 553.21, Wis. Stats.;
11. On December 30, 1998, Pro One filed an application for franchise registration ("Application") with DFI;

12. As part of the Application referenced in Paragraph 9 above, Pro One filed a copy of its Uniform Franchise Offering Circular (“UFOC”) with DFI;
13. The Application was signed on December 29, 1998 by Verboncouer, as President of Pro One;
14. Pursuant to sec. 553.26, Wis. Stats., the registration was effective on December 30, 1998;
15. Item 1 of the UFOC states “We have no persons or companies affiliated with us (affiliates) who offer franchises in any line of business or who provide products or services to our franchisees.”;
16. Item 1 of the UFOC filed with DFI states “Mr. Verboncouer currently serves as President of CPR of WI, Inc.”;
17. Information on file with DFI and the National White Collar Crime Center (“NWCCC”) shows that Verboncouer was the incorporator of Contract Personnel Resources of Wisconsin, Inc., which lists a registered agent address at that of the home address of Verboncouer;
18. Upon information and belief, informational material entitled “CPR, Inc. Proposal for: . . . Pro One Janitorial Franchisee Program” was included in the offering documents provided to at least one person in Wisconsin;
19. Upon information and belief, the informational material in Paragraph 18 above listed an address and telephone number as: CPR, Inc., Payroll Service Division, 2201 S. Oneida St., Green Bay, WI 54304 920-499-8400;
20. Upon information and belief, at least one person in Wisconsin was offered the opportunity to use the payroll services of CPR, Inc. at the time of the sale of the franchise;
21. Item 1 of the UFOC states: “We will begin offering franchises in our present business as of the effective date of this offering circular. Our predecessors and affiliates have never offered franchises in any line of business.”;
22. Upon information and belief, Pro One franchises have been sold to persons in Wisconsin by both Verboncouer and Verboncouer’s predecessor since May 31, 1997;
23. Instructions for Item 2 of the UFOCG requires the franchisor “to list by name and position the directors . . . the principal officers . . . State each person’s principal occupations and employers during the past five years.” ;
24. Item 2 of the UFOC states Verboncouer’s business experience as: “June 1997-Present: President; Pro One Janitorial Clean Co. October 1992 to December 1996: Vice President; Contract Personnel Resources, Inc. Green Bay, WI.”;
25. Documents obtained through search results from the NWCCC and DFI only show Articles of Incorporation for Contract Personnel Resources of Wisconsin, Inc., which was not registered as a corporation until April 8, 1998;
26. Documents obtained through search results from DFI state Verboncouer was the President and a member of the Board of Directors of the Train Center, Inc., 2201 South Oneida Street, Green Bay, WI 54304, which was incorporated on August 17, 1993;

27. The Train Center, Inc. was subsequently amended to be The Training Center, Inc. on the Annual Report dated May 17, 1996 and filed with DFI, and state Verboncouer was President and a member of the Board of Directors;
28. Documents obtained through search results from NWCCC and DFI state Verboncouer was the President of Allstaff, Inc., on the annual report filed with DFI on March 5, 1996;
29. Item 19 of the UFOC states “We do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of a Pro One Janitorial Franchised Business . . . .”;
30. Upon information and belief, the value of contracts provided in the initial franchise fee falls under the definition of an earnings claim under Instructions to Item 19 in the UFOCG and is required to be disclosed under this item;
31. Upon information and belief, at least one person in Wisconsin received a copy of a “Cash Management Work Sheet” prior to the signing of the Management Services Agreement;
32. Item 20 of the UFOCG requires disclosure of “the names of all franchisees and the addresses and telephone numbers of all of their outlets” and “the name and last known home address and telephone number of every franchisee who had had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business . . . .”;
33. Item 20 of the UFOC filed with DFI states there are 18 company owned units operating at the year end 1998 and no franchised units in operation;
34. Item 20 of the UFOC filed with DFI contains neither a list of current franchisees nor franchisees no longer in operation.;
35. Item 21 of the UFOCG requires the preparation of “financial statements in accordance with generally accepted accounting principles . . . .”;
36. Item 21 of the UFOC states “Attached is a financial statement of Pro One Janitorial, Inc. prepared in accordance with the generally accepted accounting principles dated {provide date}.”;
37. The registration statement filed with DFI on December 30, 1998 did not include any financial statements as required by the UFOCG;
38. Section sec. 553.51(1), Wis. Stats., states: “Any person who sells a franchise in violation of s. 553.27(4), if the violation was material in the franchisee’s or subfranchisor’s decision to purchase the franchise shall be liable to the franchisee or subfranchisor, who may bring an action for rescission .” ;
39. Upon information and belief, the potential liability of the franchisor for the unregistered sales of franchises could create an adverse affect on the financial condition of the franchisor and is information that is required to be disclosed in the financial statements given to a prospective franchisee prior to the sale of the franchise;
40. As stated in Paragraph 37 above, no financial statement was filed with DFI nor provided to prospective franchisees;

41. The actions described in Paragraphs 15-22, 24-31, 33-37, 39 and 40 above constitute, under the circumstances, the filing with the division statements, which were at the time and in the light of the circumstances under which they were made, false or misleading in material respect or, in connection with any statements required to be made under sec. 553.31(1), omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, a violation of sec. 553.41(1), Wis. Stats.
42. The actions described in Paragraphs 15-22, 24-31, 33-37, 39 and 40 above constitute, under the circumstances, statements, which were at the time and in the light of the circumstances under which they were made, false or misleading in material respect, or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, a violation of sec. 553.41(4), Wis. Stats.

Therefore, the staff of the Enforcement Unit petitions the Administrator of the Division of Securities for the issuance of the attached order pursuant to Ch. 553, Wis. Stats.

 8/12/99  
\_\_\_\_\_  
Kathryn L. Denton                      Date  
Examiner  
Enforcement Unit

 8/12/99  
\_\_\_\_\_  
David A. Cohen                      Date  
Supervising Attorney  
Enforcement Unit