

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

In the Matter of
PJR MANAGEMENT, INC.
and JERRY MEHRING

ASSURANCE OF
DISCONTINUANCE

Respondent.

File No. S-02085(FX)

The staff of the Bureau of Registration & Enforcement, 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. PJR Management, Inc. ("PJR") is a domestic business corporation with a business address at 1200 S. Main St., West Bend, WI 53095;
2. Jerry Mehring ("Mehring") is an adult individual with a business address at that of PJR;
3. Since, 1986 PJR has been the area franchisor for Dairy Queen/Brazier in Wisconsin;
4. All Dairy Queen/Brazier franchise offers to persons in Wisconsin are made by means of a Uniform Franchise Offering Circular (the "UFOC"), a copy of which is filed with the Division of Securities;
5. Item 19 of the PJR/Dairy Queen UFOC states that "Neither we nor ADQ [American Dairy Queen] furnish or authorize our salespersons to furnish any oral or written information to prospective franchisees concerning the actual or potential sales, costs, income or profits of a Dairy Queen/Brazier franchise";
6. Mehring, on behalf of PJR, provided at least two prospective franchisees in Wisconsin with pro-forma statements that they used at the bank to obtain financing to open their franchise stores;
7. Pursuant to the UFOC directions, "Earnings claim" means information given to a prospective franchisee by, on behalf of or at the direction of the franchisor or its agent, from which a specific level or range of actual or potential sales, costs, income or profit from franchised or non-franchised units may be easily ascertained. A chart, table or mathematical calculation presented to demonstrate possible results based upon a combination of variables (such as multiples of price and quantity to reflect gross sales) is an earnings claim subject to this item;

8. Pursuant to the UFOC directions, an earnings claim shall include a description of its factual basis and the material assumptions underlying its preparation and presentation;
9. The pro forma statements given to the prospective franchisees are earnings claims as that term is defined by the UFOC;
10. The earning claims given out by Mehring, on behalf of PJR, do not include a description of their factual basis nor material assumptions underlying their preparation and presentation;
11. The use of earning claims by Mehring, on behalf of PJR, in contravention to the offering circular and without the support required by the UFOC constitutes an untrue statement of a material fact or the omission 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 in violation of sec. 553.41, Wis. Stats.
12. Mehring and PJR, wishing to obtain disposition of the above-captioned matter without the institution of an action by the Wisconsin Department of Financial Institutions, Division of Securities,

HEREBY ASSURES THE WISCONSIN DIVISION OF SECURITIES THAT:

PJR MANAGEMENT, INC, its officers, directors or persons similarly situated and every employee or agent, including without limitation anyone who materially aids in the offer of its Dairy Queen, Dairy Queen/Brazier, Dairy Queen/Treat Centers, Dairy Queen/Fuel Centers, Dairy Queen/ Limited Brzier or any successor entities will discontinue all acts herein alleged and any further contact which would violate Ch. 553, Wis. Stats., whether as Respondents or any other business entity directly or indirectly controlled or hereafter organized by PJR MANAGEMENT, INC., any of its officers, directors or persons similarly situated, including, but not limited to, JERRY MEHRING.

DATED this 4th day of October, 2002.

PJR MANAGEMENT, INC.

By Jerry Mehring
Its PRESIDENT

State of Wisconsin
County of Washington

Subscribed before me this

4th day of October, 2002.
George L. Penges
Notary Public

My commission expires 5-7-06.

JERRY MEHRING

Jerry Mehring

State of Wisconsin
County of Washington

Subscribed before me this

4th day of October, 2002.
George L. Penges
Notary Public

My commission expires 5-7-06.

NOTICE

You are advised that pursuant to sec. 553.54(4). Wis. Stats., any willful violation of an Assurance of Discontinuance given to the Administrator of the Division of Securities of the State of Wisconsin Department of Financial Institutions under Ch. 553, Wis. Stats., is a criminal offense punishable under the provisions of sec. 553.52, Wis. Stats.