

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: THE PET PANTRY INTERNATIONAL, INC.
3719 North Carson Street
Carson City
Nevada 89706

PET PRODUCTS DELIVERY, INC.
C. Wade Webster
Don A. Lockman
400 West King Street
Nevada 89703

DESIST AND REFRAIN ORDER
(For violations of section 31110 of the California Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, The Pet Pantry International, Inc., (“The Pet Pantry”) is, or was, a Nevada Corporation, with its principal place of business located at 3719 North Carson Street, Carson City, Nevada 89706. On or about March 1996, The Pet Pantry became a successor entity to Pet Pantry Inc., which was first registered on December 15, 1977.
2. At all relevant times, Pet Product Delivery, Inc., (“Pet Product”) is, or was, a Nevada Corporation, with its principal place of business located at 400 West King Street, Carson City, Nevada 89703. Pet Product acquired The Pet Pantry on or about July 2004.
4. At all relevant times herein, Don A. Lockman was the President and Chief Executive Officer of The Pet Pantry. Mr. Lockman is, and has been Franchise Development Director of Pet Product since July 2004. C. Wade Webster was Vice President, Franchise Development of The Pet Pantry. Mr. Webster is, and has been, Franchise Development Director for Pet Product since July 2004.
6. Pet Product engages in the business of home delivery of pet foods and pet related items throughout the United States and overseas. In addition to its headquarters, Pet Product claims to have over seventy- five franchise locations operating across the United States.

1 7. Pet Product, The Pet Pantry, Don A. Lockman and C. Wade Webster maintain a website at
2 www.thepetpantry.com. Through their website, Pet Product, The Pet Pantry, Don A. Lockman and
3 C. Wade Webster offer to sell to the public and solicit offers from the public, to buy a franchise or
4 interest in a franchise for value.

5 8. During 2003 and prior, The Pet Pantry, Don A. Lockman, and C. Wade Webster, offered and
6 sold franchise opportunities in California through direct sales or their website. During the stated
7 period, The Pet Pantry, Don A. Lockman, and C. Wade Webster sold at least eight franchises to
8 California residents.

9 9. The Pet Pantry entered into a written pet pantry franchise agreement with California residents,
10 which gave the purchasers the right to engage in the business of offering, selling or distributing goods
11 or services, including but not limited to, pet products, under a marketing plan or system prescribed in
12 substantial part by The Pet Pantry. Further, it was agreed that pursuant to The Pet Pantry's marketing
13 plan or system, the operation of the franchise business would be substantially associated with Pet
14 Pantry's trademark, service mark, or trade name logotype. At all relevant times herein, the
15 purchasers operated the franchise as prescribed by the franchise agreement.

16 10. The purchasers were not told that the franchise offered and sold was not registered in
17 accordance with California law. Pet Product, The Pet Pantry, Don A. Lockman, and C. Wade
18 Webster have not been registered to offer or sell franchises under the California Franchise Investment
19 Law, and are not exempt from registration under Chapter 1, beginning with Corporations Code
20 Section 31110, of that law.

21 11. On September 28, 2004, Pet Product filed its initial franchise registration with the Department
22 of Corporations. The application was abandoned on March 15, 2006 following Pet Product's failure
23 to respond to the Department of Corporation's comment letter dated October 14, 2004.

24 Based upon the foregoing findings, the California Corporations Commissioner is of the
25 opinion that The Pet Pantry, Pet Product, Don A. Lockman, and C. Wade Webster have offered and
26 sold franchises in California that were subject to registration under the Franchise Investment Law
27 without the offers first being registered in violation of Corporations Code section 31110. Pursuant to
28 section 31402 of the Corporations Code, The Pet Pantry International, Inc., Pet Products Delivery,

1 Inc., Don A. Lockman, and C. Wade Webster are hereby ordered to desist and refrain from the
2 further offer or sale of franchises, including but not limited to, franchises of The Pet Pantry
3 International, Inc., and Pet Products Delivery, Inc., unless and until the offers have been duly
4 registered under the Franchise Investment Law or are exempt.

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

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Dated: April 3, 2006
Los Angeles, California

WAYNE STRUMPFER
Acting California Corporations Commissioner

By _____
ALAN S. WEINGER
Acting Deputy Commissioner
Enforcement Division