

FILED

SEP 28 2012

SONYA KRASKI
COUNTY CLERK
SNOHOMISH CO. WASH.

THE SUPERIOR COURT OF THE STATE OF WASHINGTON
FOR SNOHOMISH COUNTY

EMIRATES ASSOCIATED BUSINESS
GROUP, INC., an Abu Dhabi corporation,
Plaintiff,

CASE NO. **12-2 08239** n

v.

SUMMONS (60 DAYS)

DIXIE CREAM DONUTS FRANCHISE
SYSTEM, LLC, an Oklahoma limited liability
company; BEAUTIFUL BRANDS
INTERNATIONAL, LLC, an Oklahoma
limited liability company; DAYLIGHT
DONUT FLOUR COMPANY, LLC, an
Oklahoma limited liability company;
CAMILLE'S FRANCHISE SYSTEM, LLC,
an Oklahoma limited liability company;
FRESHBERRY FRANCHISE SYSTEM,
LLC, an Oklahoma limited liability company;
BLAZING ONION FRANCHISING, LLC, a
Washington limited liability company; and
DAVID RUTKAUSKAS, an individual,
Defendants.

TO THE DEFENDANTS: DAVID RUTKAUSKAS, BLAZING ONION FRANCHISING,
LLC, FRESHBERRY FRANCHISE SYSTEM, LLC, CAMILLE'S FRANCHISE SYSTEM,
LLC, DAYLIGHT DONUT FLOUR COMPANY, LLC, BEAUTIFUL BRANDS
INTERNATIONAL, LLC, DIXIE CREAM DONUTS FRANCHISE SYSTEM, LLC

AND TO: THEIR ATTORNEYS

SUMMONS - 1

[CASE No.

]—Page 1 of 2

SIMBURG, KETTER,
SHEPPARD & PURDY, LLP
999 THIRD AVENUE, SUITE 2525
SEATTLE, WASHINGTON 98104
(206) 382-2600
FAX (206) 223-3929

1 A lawsuit has been started against you in the above entitled court by Emirates
2 Associated Business Group, Inc.. Plaintiffs' claim is stated in the written complaint, a copy of
3 which is served upon you with this summons.


4 In order to defend against this lawsuit, you must respond to the complaint by stating
5 your defense in writing, and by serving a copy upon the person signing this summons within
6 **60 days** after the service of this summons, excluding the day of service, or a default judgment
7 may be entered against you without notice. A default judgment is one where plaintiff is
8 entitled to what he or she asks for because you have not responded. If you serve a notice of
9 appearance on the undersigned person, you are entitled to notice before a default judgment
10 may be entered.

11 You may demand that the plaintiff's file this lawsuit with the court. If you do so, the
12 demand must be in writing and must be served upon the undersigned attorney. Within 14
13 days after you serve the demand, the plaintiff must file this lawsuit with the court, or the service
14 on you of this summons and complaint will be void.

15 If you wish to seek the advice of an attorney in this matter, you should do so promptly
16 so that your written response, if any, may be served on time. This summons is issued
17 pursuant to rule 4 of the Superior Court Civil Rules of the State of Washington and RCW
18 4.92.020.

19 DATED this 28th day of Sept., 2012.

21 SIMBURG, KETTER, SHEPPARD & PURDY, LLP

22 By: 
23 _____
24 Howard R. Morrill, WSBA #17252
Attorney for Plaintiffs

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THE SUPERIOR COURT OF THE STATE OF WASHINGTON
FOR SNOHOMISH COUNTY

12-2 08239 n

EMIRATES ASSOCIATED BUSINESS
GROUP, INC., an Abu Dhabi corporation,

Plaintiff,

v.

DIXIE CREAM DONUTS FRANCHISE
SYSTEM, LLC, an Oklahoma limited
liability company; BEAUTIFUL BRANDS
INTERNATIONAL, LLC, an Oklahoma
limited liability company; DAYLIGHT
DONUT FLOUR COMPANY, LLC, an
Oklahoma limited liability company;
CAMILLE'S FRANCHISE SYSTEM, LLC,
an Oklahoma limited liability company;
FRESHBERRY FRANCHISE SYSTEM,
LLC, an Oklahoma limited liability
company; BLAZING ONION
FRANCHISING, LLC, a Washington
limited liability company; and DAVID
RUTKAUSKAS, an individual,

Defendants.

COMPLAINT

1 COMES NOW the plaintiff, Emirates Associated Business Group, Inc. ("EABG"),
2 and alleges as follows:

3 **Parties**

4 1. EABG is a corporation organized under the laws of Abu Dhabi, United Arab
5 Emirates.

6 2. Defendant Dixie Cream Donuts Franchise System, LLC ("Dixie Cream"), is an
7 Oklahoma limited liability company, which has registered one or more franchise offerings in
8 Washington.

9 3. Defendant Beautiful Brands International, LLC ("Beautiful Brands"), is an
10 Oklahoma limited liability company.

11 4. Defendant Daylight Donut Flour Company, LLC ("Daylight Donut"), is an
12 Oklahoma limited liability company, and is a guarantor of all liabilities of Dixie Cream to its
13 franchisees.

14 5. Defendant Camille's Franchise System, LLC ("Camille's"), is an Oklahoma
15 limited liability company, which has registered one or more franchise offerings in
16 Washington.

17 6. Defendant FreshBerry Franchise System, LLC ("FreshBerry"), is an Oklahoma
18 limited liability company, which has registered one or more franchise offerings in
19 Washington.

20 7. Defendant Blazing Onion Franchising, LLC ("Blazing Onion"), is a
21 Washington limited liability company, which conducts business and has its registered office
22 in Snohomish County.
23
24

1 8. Defendant David Rutkauskas has been an officer and a person in act of control
2 of Beautiful Brands, Camille's and FreshBerry at all times pertinent hereto.

3 9. Beautiful Brands owns or effectively controls Camille's and FreshBerry.

4 10. Beautiful Brands has employed one or more franchise sellers to conduct
5 franchise sales activities in Washington.

6 11. Beautiful Brands is in the business of selling franchises in Washington as well
7 as elsewhere.

8 12. Daylight Donuts has guaranteed the obligations of Dixie Cream to franchisees,
9 which guarantee by its express terms applies to franchisees in Washington as well as in other
10 states.

11 13. David Rutkauskas, in addition to his activities as an officer of certain of the
12 defendants, has been a franchise seller in Washington.

13 **Jurisdiction and Venue**

14 14. Without limitation, this Court has jurisdiction over the defendants pursuant to
15 RCW 19.100.160.

16 15. Without limitation, venue is proper pursuant to 4.12.025.

17 16. Additionally, Dixie Cream, Camille's, FreshBerry and Blazing Onion have all
18 consented to be sued in the courts of this state in any action arising out of their sale of
19 franchises.

20 **Facts**

21 17. On or about December 27, 2010, EABG entered into a Master Franchise and
22 License Agreement (the "Agreement") as a "Master Franchisee" for the United Arab
23 Emirates, Qatar, Iraq, Jordan, Turkey, Bahrain, Lebanon and Syria.
24

1 18. Dixie Cream is explicitly identified as the “Franchisor” under the Agreement.

2 19. The foregoing notwithstanding, the Agreement explicitly conveys the rights to
3 develop eight additional “Dixie Cream Donuts/Beautiful Brands International” franchise
4 brands: “Rex’s Chicken, Fresh Berry [sic], Greenz Salads, In the Raw Sushi, Le Beau
5 Rouleau, Camilles [sic] Café, Blazing Onion, and Top That Pizza, under the same conditions”
6 contained in the Agreement.

7 20. Mr. Rutkauskas, as well as Dixie Cream, signed the Agreement.

8 21. EABG paid \$500,000 as an initial fee for the rights reflected in the Agreement.

9 22. On information and belief, Beautiful Brands was authorized to act as a sales
10 agent for each of the franchises listed in the Agreement.

11 23. In the alternative, Beautiful Brands was invested with the apparent authority to
12 act as sales agent for each of the franchises listed in the Agreement.

13 24. Oklahoma law governs the Agreement.

14 25. The Agreement originated from Oklahoma.

15 26. EABG’s acceptance of the Agreement was communicated to Dixie Cream,
16 Beautiful Brands and Mr. Rutkauskas in Oklahoma.

17 27. Additionally, any offer of a Blazing Onion franchise necessarily originated
18 from Washington.

19 28. EABG was not provided with a Uniform Franchise Offering Circular
20 (“UFOC”) or a Franchise Disclosure Document (“FDD”) in connection with its purchase of
21 the franchise rights in any of the brands listed in the Agreement.
22

23 29. EABG has learned that a third party has been sold franchise rights by Beautiful
24 Brands that conflict with rights purportedly conveyed to EABG under the Agreement.

1 30. Beautiful Brands has disavowed material terms of the Agreement and has
2 demanded additional compensation as a condition of fulfilling its obligations.

3 31. EABG has incurred ordinary and reasonable expenses in connection with its
4 performance of and its reliance upon the promises contained in the Agreement.

5 **Causes of Action**

6 32. The foregoing acts and omissions of Dixie Cream, Beautiful Brands and Mr.
7 Rutkauskas constitute actual or anticipatory breaches of the Agreement.

8 33. The foregoing acts and omissions of Dixie Cream, Beautiful Brands and Mr.
9 Rutkauskas constitute actionable misrepresentations and omissions of material fact made or
10 committed on behalf of themselves and each of their co-defendant principals.

11 34. The foregoing acts and omissions of Dixie Cream constitute liabilities which
12 trigger the duties of Daylight Donuts and notice is hereby provided of said liabilities.

13 35. The foregoing acts and omissions constitute violations of the Oklahoma
14 Business Opportunity Sales Act, the Washington Franchise Investment Protection Act and/or
15 the Federal Trade Commission Franchise Rule.

16 36. The foregoing acts and omissions entitle EABG to rescission of the Agreement
17 and damages, and EABG hereby tenders all the franchise development rights it obtained in the
18 Agreement.

19 **Prayer for Relief**

20 In light of the foregoing, EABG, requests the following relief:

21 1. An order affirming the rescission of the Agreement and directing the parties as
22 to the mutual tenders required to give effect thereto;

23 2. An award of EABG's damages which are not duplicative of the rescission;
24

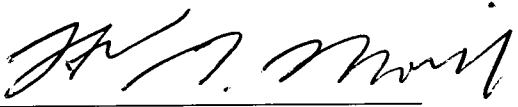
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3. An award of EABG's costs and reasonable attorneys' fees herein pursuant to the Oklahoma Business Opportunity Sales Act, the Washington Franchise Investment Protection Act and upon any other applicable basis.

4. Such other and additional relief as the Court deems just and equitable.

Dated this 28th day of September, 2012.

SIMBURG KETTER SHEPPARD & PURDY, LLP

By: 

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James A. Jackson, WSBA #29836
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| | | | | |
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| FIRM NAME SIMBURG, KETTER, SHEPPARD & PURDY | | PHONE 206-382-2600 | EXT. # | EMAIL (SECRETARY) BCARPENTER |
| DATE/TIME 9/28/12 4:00 PM | ADDRESS 999 THIRD AVE., SUITE 2525 | | ATTY HRM | SECRETARY BC |
| CASE NAME Emirates Associated Business Group v. Blazing Onion Franchising, LLC, et al | | | | YOUR ABC ACCT. No. 13810 |
| JUDGE 12 2 08239 n | | CLIENT MATTER # EMIRG001 | DATE SEPTEMBER 28, 2012 | |

DOCUMENTS
2 ORIGINALS OF COMPLAINT; CHECK #18208 IN THE AMOUNT OF \$240.00 FOR FILING FEE; 1 SUMMONS

SIGNATURE REQUIRED ON DOCUMENTS RETURN CONFORMED ABC SLIP ONLY RETURN CONFORMED COPY CONFORM ORIGINAL DO NOT FILE

OTHER INSTRUCTIONS
PLEASE RETURN ONE CONFORMED ORIGINAL COMPLAINT TO OUR OFFICE; PLEASE E-MAIL TODAY A SCAN OF CONFORMED COMPLAINT AND SUMMONS TO: hmorrill@sksp.com, bcarpenter@sksp.com;

| | | |
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| 2 MSK 4:18 9/28/12 | 4 SEP 28 2012 SONYA KRASKI COUNTY CLERK SNOHOMISH CO. WASH. | |

| COUNTY | SUPERIOR COURT | DISTRICT COURT (INDICATE DISTRICT) | AUDITOR | Appeals COURT | | FEDERAL COURT | | SE A | TAC | STATE SUPREME COURT | SEC. STATE CORP. |
|--------|----------------|------------------------------------|---------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
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011G (07/08)

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SPECIAL

FILED

SEP 28 2012

SONYA KRASKI
COUNTY CLERK
SNOHOMISH CO. WASH

CASE TYPE 2

SNOHOMISH COUNTY SUPERIOR COURT

CASE INFORMATION COVER SHEET

Case Number

12-2 08239

Case Title: Emirates Associated Business Group, Inc. v.
Blazing Onion Franchising, LLC, et al.

Attorney Name: Howard R. Morrill

Bar Membership Number: 17252

Please check one category that best describes this case for indexing purposes. Accurate case indexing not only saves time in docketing new cases, but helps in forecasting needed judicial resources. Cause of action definitions are listed on the back of this form. Thank you for your cooperation.

APPEAL/REVIEW

- Administrative Law Review (ALR 2)
- Appeal of a Department of Licensing Revocation (DOL 2)
- Civil, Non-Traffic (LCA 2)
- Civil, Traffic (LCI 2)

CONTRACT/COMMERCIAL

- Breach of Contract (COM 2)
- Commercial Contract (COM 2)
- Commercial Non-Contract (COL 2)
- Third Party Collection (COL 2)

PROTECTION ORDER

- Civil Harassment (HAR 2)
- Domestic Violence (DVP 2)
- Foreign Protection Order (FPO 2)
- Sexual Assault Protection (SXP 2)
- Vulnerable Adult Protection (VAP 2)

JUDGMENT

- Abstract Only (ABJ 2)
- Foreign Judgment (FJU 2)
- Judgment, Another County (ABJ 2)
- Judgment, Another State (FJU 2)
- Tax Warrant (TAX 2)
- Transcript of Judgment (TRJ 2)

OTHER COMPLAINT/PETITION

- Action to Compel/Confirm Private Binding Arbitration (MSC 2)
- Change of Name (CHN 2)
- Deposit of Surplus Funds (MSC 2)
- Emancipation of Minor (EOM 2)
- Injunction (INJ 2)
- Interpleader (MSC 2)
- Malicious Harassment (MHA 2)
- Minor Settlement (No guardianship) (MST 2)
- Petition for Civil Commitment (Sexual Predator)(PCC 2)
- Property Damage-Gangs (PRG 2)
- Public Records Act (PRA 2)

- School District – Required Action Plan (SDR 2)
- Seizure of Property from Commission of Crime (SPC 2)
- Seizure of Property Resulting from a Crime (SPR 2)
- Subpoenas (MSC 2)

PROPERTY RIGHTS

- Condemnation (CON 2)
- Foreclosure (FOR 2)
- Land Use Petition (LUP 2)
- Property Fairness (PFA 2)
- Quiet Title (QTI 2)
- Unlawful Detainer (UND 2)

TORT, MEDICAL MALPRACTICE

- Hospital (MED 2)
- Medical Doctor (MED 2)
- Other Health Care Professional (MED 2)

TORT, MOTOR VEHICLE

- Death (TMV 2)
- Non-Death Injuries (TMV 2)
- Property Damage Only (TMV 2)
- Victims of Motor Vehicle Theft (VVT 2)

TORT, NON-MOTOR VEHICLE

- Asbestos (PIN 2)
- Other Malpractice (MAL 2)
- Personal Injury (PIN 2)
- Products Liability (TTO 2)
- Property Damage (PRP 2)
- Wrongful Death (WDE 2)

WRIT

- Habeas Corpus (WHC 2)
- Mandamus (WRM 2)
- Restitution (WRR 2)
- Review (WRV 2)
- Miscellaneous Writs (WMW 2)

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