

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Washington Franchise Investment
Protection Act by:

Order Number S-04-213-04-CO01

CONSENT ORDER

Monart Franchise Corp., its agents and
employees,

Respondent.

INTRODUCTION

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division of the Department of Financial Institutions (Securities Division) and Respondent, Monart Franchise Corp., do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondent neither admits nor denies the Findings of Fact and Conclusions of Law as set forth below.

FINDINGS OF FACT

I.

Monart Franchise Corp. is a California corporation with a principal business address of 404 Montgomery Street, Suite A, Ojai, California 93023.

II.

Monart Franchise Corp. is the seller of an opportunity to operate facilities for art instruction to children, teens and adults. Purchasers of the opportunity are provided with training as well as operations manuals and ancillary materials containing techniques, curricula, lessons and methods to provide such instruction and are entitled to ongoing assistance and advice relating to operation of the business. Purchasers of the opportunity are obligated to pay an initial fee of \$3,000 and are entitled to use the marks and associated trade names, trademarks, service marks, logotypes and other commercial symbols associated with Monart Franchise Corp.

CONSENT ORDER

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

Monart Franchise Corp.

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III.

On March 04, 2004, Monart Franchise Corp. filed or caused to be filed with the Securities Division an initial application to register its opportunity in Washington (Franchise Registration Application File No. 70012699) pursuant to Washington's Franchise Investment Protection Act. It was determined from the Uniform Franchise Offering Circular filed with the application, as well as from other materials, that Monart Franchise Corp. had offered and sold its opportunity to six Washington residents for operation within the state of Washington prior to the date of application. It was also determined that Monart Franchise Corp. had not provided the Washington residents with a UFOC that contained all material information about the opportunity including, but not necessarily limited to, a financial statement for the seller prior to their purchase.

IV.

Monart Franchise Corp. is not currently and has not previously been registered to offer or sell franchises in the state of Washington.

Based upon the above Findings of Fact, the following Conclusions of Law are made:

CONCLUSIONS OF LAW

I.

The offer and/or sale of the opportunity described above constitutes the offer and/or sale of a franchise as defined in RCW 19.100.010(16) and RCW 19.100.010(4).

II.

The offer and/or sale of the above-described franchise opportunity was in violation of RCW 19.100.020, the registration requirement provision of the Franchise Investment Protection Act, because no registration for offers and/or sales is or has been effective with the Securities Division.

III.

The offer and/or sale of the above-described franchise opportunity was made in violation of RCW 19.100.080, the disclosure document requirement provision of the Franchise Investment Protection Act, because Respondent did not provide the Washington purchasers with a UFOC that contained all material information about the franchise opportunity including, but not necessarily limited to, a financial statement for the seller.

CONSENT ORDER

Based upon the foregoing:

IT IS THEREFORE AGREED AND ORDERED that Respondent and its employees and agents each shall refrain from the offer and/or sale of franchises in the State of Washington in violation of RCW19.100.020, the registration requirement provision of the Franchise Investment Protection Act.

IT IS THEREFORE AGREED that Respondent shall disclose the existence and contents of this Order in any franchise registration disclosure document approved for use in the State of Washington, such requirement commencing from the date of entry of this Order.

IT IS THEREFORE AGREED that Respondent shall inform all employees and agents who offer franchises in the State of Washington of the existence and contents of this Order for a period of three years from the date of entry of this Order.

IT IS THEREFORE AGREED AND ORDERED that this Order shall remain in force and effect for a period of three years from the date of entry of this Order.

IT IS THEREFORE AGREED that Respondent shall reimburse the Securities Division \$500 for its costs of investigation payable prior to the Securities Division's entry of this Order.

IT IS THEREFORE AGREED that Respondent waives its rights to a hearing or judicial review of this matter.

IT IS THEREFORE AGREED that the Securities Division has jurisdiction to enter this Order.

WILLFUL VIOLATION OF AN ORDER OF THE SECURITIES ADMINISTRATOR IS A FELONY.

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Monart Franchise Corp. by:

/s/ Mona Brookes

(Signature)

Mona Brookes, CEO/President

Signed this 8th day of December, 2004.

(Print Name and Title)

This Order signed and entered by the Securities Division this 15th day of December, 2004.

By:

Michael E. Stevenson

Michael E. Stevenson
Securities Administrator

Approved for entry by:

/s/ Martin Cordell

Martin Cordell
Chief of Enforcement

Presented by:

/s/ Brad Ferber

Brad Ferber
Financial Legal Examiner

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