

1 gross sales to the company. In 2007, Halloween Express amended its agreement with the purchasers to
2 allow them to operate a Halloween Express store in Spokane, Washington. Halloween Express provided
3 the purchasers with location assistance and training for the operation of a store. Halloween Express also
4 provided the purchasers with standards and specifications for the store and merchandise. Halloween
5 Express assisted the purchasers with promotion and marketing of their business which was subsequently
6 located in California.

7 In 2009, Halloween Express, LLC offered and sold a franchise to a Washington resident who had
8 previously managed Halloween Express stores for approximately six years. The Washington resident spoke
9 with a company representative about purchasing a franchise. The Washington resident paid an initial
10 \$5,000 franchise fee and an ongoing royalty fee of 5% of gross sales. The Washington resident received a
11 license to use the Halloween Express marks and utilize the “Halloween Express Program” for a retail
12 costume store. The purchaser received an exclusive territory for King County, ongoing support, including a
13 mandatory point of sale system, and vendor discounts. Halloween Express provided the purchaser
14 assistance with marketing and promotion. Halloween Express also provided assistance in locating and
15 negotiating a lease for a store.
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17 **III. Failure To Deliver Offering Circular**

18 Respondent Halloween Express, LLC did not provide the purchasers of the Spokane franchise location
19 with a disclosure document or offering circular as required by RCW 19.100.080 that contained the
20 information about the franchise required by RCW 19.100.040.
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1 **IV. Registration Status**

2 Respondent Halloween Express, LLC is not currently registered to offer or sell franchises in the
3 state of Washington and has not previously been so registered. On May 3, 2010, Halloween Express,
4 LLC filed a franchise registration application which is currently under review.

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

6 **CONCLUSIONS OF LAW**

7 **I.**

8
9 The offer and/or sale of the franchise described above constitute the offer and/or sale of a
10 franchise as defined in RCW 19.100.010(16) and RCW 19.100.010(4).

11 **II.**

12 The offer and/or sale of said franchises were in violation of RCW 19.100.020 because no registration
13 for such offer and/or sale is on file with the Securities Administrator.

14 **III.**

15 The offer and/or sale of said franchise was made in violation of RCW 19.100.080 because Respondent
16 did not provide prospective purchasers with a disclosure document or offering circular required under RCW
17 19.100.040 prior to the sale of the franchise.

18 **CONSENT ORDER**

19 Based upon the foregoing:

20
21 IT IS AGREED AND ORDERED that Respondent Halloween Express, LLC and its agents and
22 employees each shall cease and desist from offering or selling franchises in violation of RCW
23 19.100.020, the registration section of the Franchise Investment Protection Act of the State of
24 Washington.

25 CONSENT ORDER

1 IT IS FURTHER AGREED AND ORDERED that Respondent Halloween Express, LLC and its
2 agents and employees each shall cease and desist from violating RCW 19.100.080, the delivery of
3 offering circular section of the Franchise Investment Protection Act of the State of Washington.

4 IT IS FURTHER AGREED that Respondent shall reimburse the Securities Division \$1,500,
5 payable prior to the entry of this Consent Order, for its costs of investigation of this matter.

6 IT IS FURTHER AGREED that Respondent Halloween Express, LLC enters into this Consent
7 Order freely and voluntarily and with a full understanding of its terms and significance.

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

9 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Halloween Express,
10 LLC waives its rights to a hearing in this matter and judicial review of this order.

11 SIGNED this 9th day of September, 2010

12 Respondent Halloween Express, LLC, by

13 _____
14 /s/, CEO

15 Name of Signer, Title

16 Print Name and Title Scott Morris, CEO

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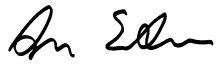
19 SIGNED and ENTERED this 14th day of September, 2010

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22 _____
23 WILLIAM M. BEATTY
24 Securities Administrator

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Approved by:



SUZANNE SARASON
Chief of Enforcement

Presented by:



MARTIN CORDELL
Financial Legal Examiner

Reviewed by:



ROBERT KONDRAT
Financial Legal Examiner Supervisor