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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

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

Mattress Today USA Inc.;

Respondent.

Order No. S-20-3041-21-CO01

CONSENT ORDER

8 Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities
9 Division and Respondent Mattress Today USA Inc. do hereby enter into this Consent Order in settlement of
10 the matters alleged herein. Respondent Mattress Today USA Inc. neither admits nor denies the Findings of
11 Fact or Conclusions of Law as stated below.

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FINDINGS OF FACT

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Respondent

1. Mattress Today USA Inc. is a Washington limited liability company formed on March 19,
2019. Mattress Today USA Inc. is headquartered in Mount Vernon, Washington. Mattress Today USA Inc.
offers franchises that sell mattresses by appointment in showrooms. The President of Mattress Today USA
Inc. is Jeremy Brown and the CEO is Joel Summers.

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Nature of the Conduct

2. Between approximately 2016 and 2020, Mattress Today USA Inc. entered into written
agreements constituting franchises with residents of Washington and other states. The owners of the
company, Joel Summers and Jeremy Brown, initially operated their own retail locations in Bellingham and
Mount Vernon, Washington. The owners later opened additional stores in Washington (including Fife,
Everett, Seattle, and Yakima) and sold them to franchisees through a Share Purchase Agreement that was

CONSENT ORDER

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

1 executed with their business, JB & JS Ventures, Inc. Franchisees also executed an Interim Franchise
2 Agreement and an Addendum that acknowledged that the purchase transaction represented full payment of a
3 franchise fee. Mattress Today USA Today Inc. later sold franchises in other Washington cities (including
4 Lakewood, Kennewick, and Redmond), as well as other states (including Utah, Texas, and Montana).
5 Mattress Today USA Inc. did not provide any of the purchasers with a franchise disclosure document (FDD)
6 prior to executing these agreements.

7 3. Franchisees typically paid a franchisee fee of approximately \$19,000. Some franchisees made
8 an initial partial down-payment of their franchise fee. At least one franchisee executed a promissory note
9 with Mattress USA Inc., which required them to make monthly installment payments. Franchisees were also
10 required to pay a nine percent (9%) royalty on gross monthly sales. Under their agreements, franchisees
11 received onsite training and a limited license to use the Mattress Today USA trade name and trademark in the
12 operation of their franchise.

13 4. In 2020, Mattress Today USA Inc.'s website offered franchises through a webpage that was
14 captioned "Dealer Opportunities." Interested persons could fill out a detailed online application. The
15 webpage represented that Mattress Today USA offered "profitability, long-term sustainability, attractive cost
16 of entry and comprehensive corporate support all in an industry segment that continues to grow and is
17 recession proof."

18 **Registration Status**

19 5. Mattress Today USA Inc. is not currently registered to sell its franchises in the state of
20 Washington and has not previously been so registered. On June 7, 2019, Mattress Today USA Inc. filed an
21 initial franchise registration application with the Securities Division (DFI File No. 70016792). To date, that
22 franchise application has not yet been approved.

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

2 **CONCLUSIONS OF LAW**

3 1. The offer or sale of franchises as described above constitutes the offer or sale of a franchise
4 as defined in RCW 19.100.010(6), RCW 19.100.010(12), and RCW 19.100.010(17).

5 2. The offer or sale of said franchises was in violation of RCW 19.100.020 because no
6 registration for such offer or sale is on file with the Washington Securities Administrator.

7 3. The offer or sale of said franchises was in violation of RCW 19.100.080 because Mattress
8 Today USA Inc. failed to provide the franchisees with a franchise disclosure document prior to the sale of
9 the franchise.

10 Based upon the foregoing and finding it in the public interest:

11 **CONSENT ORDER**

12 IT IS AGREED AND ORDERED that Respondent Mattress Today USA Inc. and its agents and
13 employees shall each cease and desist from offering or selling franchises in violation of RCW 19.100.020,
14 the registration section of the Franchise Investment Protection Act of the state of Washington.

15 IT IS FURTHER AGREED AND ORDERED that Respondent Mattress Today USA Inc. and its
16 agents and employees shall each cease and desist from any violation of RCW 19.100.080, the franchise
17 disclosure document section of the Franchise Investment Protection Act of the state of Washington.

18 IT IS FURTHER AGREED AND ORDERED that Respondent Mattress Today USA Inc. shall be
19 liable for and shall pay investigative costs of \$1,500 prior to the entry of this Consent Order.

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

1 IT IS FURTHER AGREED that Respondent Mattress Today USA Inc. enters into this Consent Order
2 freely and voluntarily and with a full understanding of its terms and significance.

3 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Mattress Today USA
4 Inc. waives its right to a hearing and to judicial review of this matter.

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6 Signed this 26th day of January, 2021

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8 Signed by:
9 Mattress Today USA Inc.

10
11 By /s/
12 Jeremy Brown
13 President

14 By /s/
15 Joel Summers
16 CEO

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SIGNED and ENTERED this 2nd day of February, 2021



William M. Beatty
Securities Administrator

Approved by:



Suzanne Sarason
Chief of Enforcement

Presented by:



Robert Kondrat
Financial Legal Examiner