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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 by:

Christopher Scott Talley;  
Network in Action Int'l, LLC,

Respondents.

Order No. S-24-3809-24-SO01

**STOP ORDER REVOKING EFFECTIVENESS OF  
REGISTRATION STATEMENT AND  
STATEMENT OF CHARGES AND NOTICE OF  
INTENT TO ENTER ORDER TO  
CEASE AND DESIST**

**THE STATE OF WASHINGTON TO:**

Christopher Scott Talley  
Network in Action Int'l, LLC

**STOP ORDER REVOKING EFFECTIVENESS OF REGISTRATION STATEMENT AND  
STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents Christopher Scott Talley and Network in Action Int'l, LLC violated the Franchise Investment Protection Act. The Securities Administrator believes these violations justify the entry of an order against Respondents Christopher Scott Talley and Network in Action Int'l, LLC to cease and desist from such violations pursuant to RCW 19.100.248. In addition, pursuant to RCW 19.100.120, the Securities Administrator finds it is in the public interest to enter a stop order revoking the effectiveness of Network in Action Int'l, LLC's registration statement. The Securities Administrator finds as follows:

**TENTATIVE FINDINGS OF FACT**

**Respondents**

1. Network in Action Int'l, LLC ("Network in Action" or "NIA") is a Texas entity formed on June 27, 2015 with its principal place of business in Houston, Texas. Network in Action is a business-referral

1 organization engaged in the business of offering and selling Network in Action franchises consisting of one  
2 or more networking groups.

3 2. Christopher Scott Talley is a resident of Houston, Texas. He is the Franchise Director and  
4 founder of Network in Action.

### 5 **Related Parties**

6 3. Cathryn Dall is a Washington resident and a Network in Action franchisee in the greater Seattle  
7 area. From February 2020 through 2024, Network in Action and Christopher Scott Talley employed Dall as  
8 an independent contractor for the purpose of soliciting and selling franchises on behalf of Network in Action.  
9 Cathryn Dall is not currently, nor has she ever been, registered as a franchise broker with the State of  
10 Washington.

### 11 **Nature of the Conduct**

#### 12 *Overview*

13 4. From approximately 2020 through 2024, Network in Action, Christopher Scott Talley  
14 (“Talley”), and Cathryn Dall (“Dall”) offered unregistered Network in Action franchises to Washington  
15 residents. Network in Action and Talley sold eight Network in Action franchises to Washington residents  
16 with franchisee fees totaling \$119,000. Two of the franchises sold were not registered. Talley made material  
17 misrepresentations to prospective Washington franchisees about Network in Action’s franchise offerings  
18 related to financial performance and territory rights. The franchise disclosure documents provided by Network  
19 in Action to Washington residents for the Network in Action franchises contained material omissions  
20 regarding costs and lawsuits.

21 5. From 2021 through 2022, Network in Action violated the conditions placed on the permits  
22 granted by the Securities Division to Network in Action to offer and sell franchises in the State of Washington  
23 by requiring and accepting the payment of initial franchise fees before the Washington franchisees received

1 all initial training that they were entitled to under the franchise agreement and before they were open for  
2 business.

### 3 *Offerings*

4 6. Network in Action offers and sells networking group franchises. There are two Network in  
5 Action franchise offerings: (1) an in-person Network in Action networking group franchise (hereinafter “in-  
6 person NIA franchise”); and (2) a virtual Network in Action networking group franchise (hereinafter “virtual  
7 NIA franchise”). Network in Action and Talley have offered the virtual NIA franchise to prospective  
8 franchisees as a supplement to the in-person NIA franchise. Network in Action’s virtual NIA franchise has  
9 never been reviewed by nor registered with the State of Washington.

10 7. The two franchise offerings are similar in many aspects. For both the in-person and virtual  
11 NIA franchises, franchisees host monthly networking meetings for their groups. Members of the networking  
12 groups pay a yearly membership fee and can refer business to other members of their group. The franchise  
13 offerings include, but are not limited to, training, use of Network in Action’s proprietary trademarks, Network  
14 in Action’s technology system and software, franchisor support consisting of monthly calls, and yearly  
15 franchisee conventions. Franchisees can also elect additional coaching or materials, such as leads, for a fee.  
16 Minimum royalty fees are the greater of a tiered set dollar amount or a percentage ranging from 9 to 15% of  
17 gross revenues.

18 8. The two franchise offerings differ in a few material ways, including the number of networking  
19 groups available for purchase, the specified territory, the amount of the franchise fee, and the opening and  
20 operation of the business. The terms of the franchise agreements and franchise disclosure documents reflect  
21 these differences, including but not limited to, variances in the Item 5 initial fees disclosure, the Item 12  
22 territory disclosure, and Section 5 of the franchise agreement, “Opening of Franchised Business.”



1 Washington franchisees to discuss Network in Action’s franchise offerings and provided them with Network  
2 in Action’s Franchise Disclosure Document (“FDD”) and franchise agreement for the in-person and/or virtual  
3 NIA franchise offerings. All but one Washington franchisee, and excluding Dall herself, “came to NIA  
4 franchise ownership as a result of visiting [Dall’s] groups in the Northwest.”

5 14. On June 19, 2024, Network in Action, Talley, and Dall hosted a dinner in Seattle, Washington  
6 to solicit offers to buy Network in Action franchises. Dahl and Talley reached out to some of the prospective  
7 Washington franchisees who attended the dinner afterwards via email and provided copies of Network in  
8 Action’s in-person NIA FDD and franchise agreement for review.

9 15. Between February 2021 and August 2024, Network in Action and Talley sold six in-person  
10 NIA franchises in Washington State, with franchise fees totaling \$119,000 and ranging from \$0 to \$40,000.  
11 Dall received \$22,900 in commissions for four of these franchise sales. One of the franchises sold by Network  
12 in Action was given to Dall for a franchise fee of \$0 as compensation for “services provided recruiting  
13 franchises [sic] in 2020/2021.”

14 16. In 2021, Network in Action and Talley offered and later sold two virtual NIA franchises to  
15 prospective Washington franchisees for \$0 as a “gift” to supplement the in-person NIA franchises offered to  
16 those same individuals. Although termed a “gift,” the royalty fees for the virtual NIA franchise are the greater  
17 of a tiered set dollar amount or 15% of gross revenues.

18 17. The permits to offer and sell franchises in Washington State that the Securities Division  
19 granted to Network in Action for its in-person NIA franchise offerings have the following special condition:  
20 “In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of franchise  
21 fees until the franchisee (a) has received all initial training that it is entitled to under the franchise agreement  
22 or offering circular, and (b) is open for business.” From 2021 through 2022, Network in Action collected  
23

1 franchise fees from Washington franchisees before the franchisees had received all initial training and were  
2 open for business.

3 *Misrepresentations and Omissions*

4 18. Network in Action and Talley misrepresented information about financial performance in the  
5 virtual NIA FDD. In 2021, Network in Action and Talley provided a FDD to prospective Washington  
6 franchisees for Network in Action’s virtual NIA franchise offering that contained misleading representations  
7 because the data regarding gross revenue in the Item 19 financial performance representations was drawn  
8 from Network in Action’s in-person NIA franchises.

9 19. Talley misrepresented whether an exclusive territory was offered with the in-person NIA  
10 franchise. From 2021 through 2022, Talley misled prospective Washington franchisees by representing  
11 verbally and/or in writing that they would have exclusive territory rights with first right of refusal for  
12 additional Washington networking groups with their in-person NIA franchise. This was contrary to Item 12  
13 of Network in Action’s in-person NIA FDD. Item 12 states: “You will not receive an exclusive territory. You  
14 may face competition from other franchisees... You have no options, rights of first refusal or similar rights to  
15 acquire additional franchises.” Network in Action and Talley sold Washington franchises without first  
16 offering them to extant Washington franchisees. Franchisees also faced competition from other franchisees in  
17 their area.

18 20. Talley made misrepresentations about the financial performance of the in-person NIA  
19 franchises. From 2021 to 2024, Talley misled prospective Washington franchisees by verbally representing  
20 that they could make \$100,000 to \$150,000 working “part-time” or ten to fifteen hours a week running three  
21 Network in Action networking groups. The in-person NIA FDDs provided to prospective Washington  
22 franchisees in 2021 and 2022 by Network in Action and Talley showed an average gross revenue of \$108,668  
23 for three franchisee-owned Network in Action groups in the Item 19 financial performance representations

1 (“FPR”), but there was no data or information in the FDDs regarding the number of hours worked to generate  
2 that amount of revenue. The updated in-person NIA FDD provided to a prospective Washington franchisee  
3 in 2024 by Network in Action and Talley showed that the average gross revenue for the three franchisee-  
4 owned Network in Action groups had decreased to \$72,543 in the Item 19 FPR. Again, the hours worked to  
5 generate that amount of gross revenue was not reported.

6 21. In 2024, Dall, who runs three Network in Action networking groups, told a prospective  
7 Washington franchisee that she makes six figures working part-time, but “it took her years of hard work to  
8 get there.” It has been difficult for multiple Washington franchisees to recruit members for their networking  
9 groups, and although these franchisees worked well over ten to fifteen hours of work a week, they made less  
10 than \$50,000 in gross revenue in 2023. One Washington franchisee has been unable to “launch” a single  
11 networking group and therefore has made no income. To “launch” a networking group, Network in Action  
12 requires that a franchisee recruit eleven members to join a networking group. Only when a group is launched  
13 can a franchisee then collect membership fees. However, even if a franchisee has not been able to launch their  
14 group, and thus cannot charge and collect revenue from membership fees, they are still required to pay  
15 royalties to Network in Action.

16 22. Network in Action and Talley omitted a lawsuit from the in-person NIA FDD. In August 2024,  
17 Network in Action and Talley provided an in-person NIA FDD to a prospective Washington franchisee that  
18 contained an Item 3 disclosure that stated Network in Action was not involved in any litigation required to be  
19 disclosed. Network in Action then entered into a franchise agreement with that prospective Washington  
20 franchisee on August 30, 2024 without first providing them with an updated FDD disclosing a civil legal  
21 action filed against Network in Action earlier that month by a competitor alleging unfair and deceptive  
22 practices.





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2. Christopher Scott Talley and Network in Action Int’l, LLC violated RCW 19.100.020, the franchise registration section of the Franchise Investment Protection Act, by offering and/or selling franchises for which no registration was on file with the Securities Administrator.

3. Christopher Scott Talley and Network in Action Int’l, LLC violated RCW 19.100.070 by failing to amend Network in Action Int’l, LLC’s registration on file with the Securities Administrator within a reasonable period of time after a material change in the information contained in its disclosure document occurred and before the further sale of the franchise.

4. Christopher Scott Talley and Network in Action Int’l, LLC violated RCW 19.100.080, the disclosure document requirement section of the Franchise Investment Protection Act, by selling franchises without providing prospective purchasers with a current disclosure document that contained all material information about the franchise.

5. In connection with the August 2024 offering as set forth above, Christopher Scott Talley and Network in Action Int’l, LLC violated RCW 19.100.070 and RCW 19.100.080, which pursuant to RCW 19.100.120(2)(b), is grounds for the issuance of a stop order.

6. Christopher Scott Talley and Network in Action Int’l, LLC violated RCW 19.100.140, the franchise broker registration section of the Franchise Investment Protection Act, by employing a franchise broker for whom no registration is on file with the Securities Administrator.

7. Christopher Scott Talley and Network in Action Int’l, LLC violated RCW 19.100.170, the antifraud section of the Franchise Investment Protection Act, by making untrue statements of material fact or omitting to state material facts necessary to make the statements made, in light of the circumstances in which they were made, not misleading.

**STOP ORDER REVOKING EFFECTIVENESS**

1 Pursuant to RCW 19.100.120, based on the above Tentative Findings of Fact and Conclusions of  
2 Law, and finding it in the public interest, the Securities Administrator enters this Stop Order revoking the  
3 effectiveness of the registration statement effective as of August 2, 2024 by Network in Action Int'l, LLC.  
4 This order may be modified or vacated at the discretion of the Securities Administrator if he finds that the  
5 conditions which prompted his entry have changed or that it is otherwise in the public interest to do so.

6 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

7 Pursuant to RCW 19.100.248, and based upon the Tentative Findings of Fact and Conclusions of Law,  
8 the Securities Administrator intends to order Network in Action Int'l, LLC, Christopher Scott Talley, and  
9 their agents and employees, to each permanently cease and desist from violating RCW 19.100.020, RCW  
10 19.100.080, RCW 19.100.140, and RCW 19.100.170.

11 **AUTHORITY AND PROCEDURE**

12 This Stop Order is entered pursuant to the provisions of Chapter 19.100.120 and is subject to the  
13 provisions of Chapter 34.05 RCW. This Statement of Charges is entered pursuant to the provisions of Chapter  
14 19.100 RCW and is subject to the provisions of Chapter 34.05 RCW. Network in Action Int'l, LLC and  
15 Christopher Scott Talley may each make a written request for a hearing as set forth in the Notice of  
16 Opportunity for Hearing accompanying this Order. If a respondent does not make a hearing request in the  
17 time allowed, the Securities Administrator intends to adopt the above Tentative Findings of Fact, Conclusions  
18 of Law, and Stop Order as final and to enter a permanent order to cease and desist as to that respondent.

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1 SIGNED and ENTERED this 22nd day of November, 2024.



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7 *William M. Beatty*

8 William M. Beatty  
9 Securities Administrator

10 Approved by:

Presented by:

11 *Brian J. Guerard*

12 *Anna Harkness*

13 Brian J. Guerard  
14 Chief of Enforcement

15 Anna Harkness  
16 Financial Legal Examiner

17 Reviewed by:

18 *Holly Mack-Kretzler*

19 Holly Mack-Kretzler  
20 Financial Legal Examiner Supervisor