

1
2
3
4
5
6
7

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

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Business Opportunity Fraud Act of Washington
by:

Signworld Business Partners, Inc.,

Respondent.

Order No. S-24-3822-24-CO01

CONSENT ORDER

8
9
10
11
12

INTRODUCTION

Pursuant to the Business Opportunity Fraud Act, RCW 19.110, the Securities Division and Respondent Signworld Business Partners, Inc. do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondent Signworld Business Partners, Inc. neither admits nor denies the Findings of Fact and Conclusions of Law as stated below.

13
14
15
16
17
18

FINDINGS OF FACT

Respondent

1. Signworld Business Partners, Inc. (“Signworld”), previously The Jack Werner Corporation, a California corporation engaged in the business of offering and selling Signworld business opportunities, was formed on February 1, 2007, as amended on May 2, 2014.

Nature of the Conduct

Overview

2. From approximately 2015 through 2023, Signworld solicited at least fifty-nine Washington residents about their business opportunity. From 2016 to 2022, Signworld offered and sold five unregistered business opportunities located in Washington State, with purchase prices totaling \$465,000. Signworld did not provide disclosure documents to the purchasers of the Washington business opportunities (hereinafter

CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 41200
Olympia, WA 98504-1200
360-902-8760

1 “Washington Business Opportunity Purchasers”) prior to the signing of the business opportunity purchase
2 contracts (hereinafter the “Purchase Contracts”). The contents of the Purchase Contracts offered by Signworld
3 did not meet Washington State’s requirements for business opportunity contracts.

4 *The Offering*

5 3. Signworld offers and sells commercial sign-making business opportunities. The business
6 opportunity consists of a sign-making equipment package, a point-of-sale, pricing, and business management
7 system, training, and ongoing support. Signworld calls its purchasers “Signworld owners.” Signworld assists
8 its owners with locating a site for their business, negotiating a lease, and designing the space. Signworld
9 owners then operate their sign-making business under their own business name and logo.

10 4. After introductory calls, Signworld e-mails materials to prospective purchasers, including, but
11 not limited to: (1) Dropbox materials, including brochures and testimonials; (2) web pages from its website
12 at <https://signworld.org>, including videos of projects completed by Signworld owners, photo galleries, and a
13 list of products and services that Signworld owners can provide to clients; (3) invitations to live online
14 webinars; (4) recordings of past webinars publicly available on YouTube; and (5) lists of current Signworld
15 owners to call and schedule in-person visits.

16 5. From 2015 through 2023, Signworld solicited at least fifty-nine prospective business
17 opportunity purchasers located in Washington State via e-mail and telephonic communications.

18 6. Signworld offered and sold five business opportunities located in Washington State from 2016
19 to 2022, with purchase prices totaling \$465,000. Signworld offered Purchase Contracts to the Washington
20 Business Opportunity Purchasers with terms such as: (1) the provision of equipment; (2) 36 months of a
21 CoreBridge software subscription; (2) training; and (3) ongoing support. The contract also provided for
22 exclusive territory rights for particular Washington State zip codes.

1 7. Three of the Purchase Contracts offered to Washington Business Opportunity Purchasers were
2 “transfer” contracts. When a Signworld owner transfers its business to a new owner, that new owner can elect
3 to maintain a relationship with Signworld by signing a business opportunity purchase contract. The “transfer”
4 Purchase Contracts of these Washington Business Opportunity Purchasers offered a reduced scope of services
5 excluding the equipment package and in one case, the provision of training, resulting in lower purchase prices.
6 The purchase prices for “transfer” contracts ranged from \$10,000 to \$75,000, as opposed to a purchase price
7 of \$150,000 to \$155,000 for the Washington Business Opportunity Purchasers who needed assistance with
8 setting up a new business.

9 8. Signworld did not provide any of the Washington Business Opportunity Purchasers with
10 disclosure documents before they signed their respective Purchase Contracts. Washington State requires
11 disclosure documents to be provided to prospective business opportunity purchasers in Washington so that
12 material information is disclosed about the investment that may assist prospective purchasers in weighing the
13 risks and benefits of the investment. Such disclosures include but are not limited to a copy of the business
14 opportunity seller’s current financial statement, a copy of any statement concerning estimated or projected
15 sales or earnings with supporting data, the number of failures of business opportunities which the seller has
16 sold or leased, and the terms and conditions of all payments.

17 9. The Purchase Contracts offered to Washington Business Opportunity Purchasers by Signworld
18 did not include any notifications to the purchasers. Washington requires business opportunity contracts to
19 include notifications immediately above the space for the purchaser’s signature, in ten-point type, to inform
20 the purchaser of their rights under Washington law and to prevent deceptive practices. Such required
21 notifications include: to not sign the contract if any of the terms are blank, to not sign the contract unless they
22 have received a written disclosure document from the seller at least 48 hours before signing, that they are
23

1 entitled to a copy of the contract at the time of signature, and that they have seven business days to cancel the
2 contract for any reason by sending written notice.

3 **Registration Status**

4 10. Signworld’s predecessor, Signworld Corporation, a Hawaii corporation, doing business as
5 Signworld, Inc. (“Predecessor”), was previously registered with the Securities Division to offer and sell
6 business opportunities with a permit effective from July 25, 2014 to July 25, 2015.

7 11. The Division issued a permit to Signworld on September 7, 2023, effective from September
8 7, 2023 through September 7, 2024.

9 12. From the period of July 25, 2015, the date that Predecessor’s permit expired, until September
10 7, 2023, the date that Signworld’s permit came into effect, neither Predecessor nor Signworld was registered
11 to offer or sell business opportunities in the state of Washington.

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

13 **CONCLUSIONS OF LAW**

14 1. The offer and/or sale of the business opportunities described above constitutes the offer and/or
15 sale of a business opportunity as defined in RCW 19.110.020(1) and RCW 19.110.030.

16 2. Signworld Business Partners, Inc. violated RCW 19.110.050, the business opportunity
17 registration section of the Business Opportunity Fraud Act, by offering and/or selling business opportunities
18 for which no registration is on file with the Securities Administrator.

19 3. Signworld Business Partners, Inc. violated RCW 19.110.070, the disclosure document
20 requirement section of the Business Opportunity Fraud Act, by failing to provide prospective business
21 opportunity purchasers with a disclosure document that met the requirements of RCW 19.110.070.

1 4. Signworld Business Partners, Inc. violated RCW 19.110.110, the business opportunity contract
2 requirement section of the Business Opportunity Fraud Act, by failing to provide prospective business
3 opportunity purchasers with a contract that met the requirements of RCW 19.110.110.

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

5 **CONSENT ORDER**

6 IT IS AGREED AND ORDERED that Respondent Signworld Business Partners, Inc., and their agents
7 and employees, shall each cease and desist from violating RCW 19.110.050, the business opportunity
8 registration section of the Business Opportunity Fraud Act.

9 IT IS AGREED AND ORDERED that Respondent Signworld Business Partners, Inc., and their agents
10 and employees, shall each cease and desist from violating RCW 19.110.070, the disclosure document
11 requirement section of the Business Opportunity Fraud Act.

12 IT IS AGREED AND ORDERED that Respondent Signworld Business Partners, Inc., and their agents
13 and employees, shall each cease and desist from violating RCW 19.110.110, the business opportunity contract
14 requirement section of the Business Opportunity Fraud Act.

15 IT IS AGREED that Respondent Signworld Business Partners, Inc. shall be liable for and pay costs in
16 the amount of \$1,000.00.

17 IT IS AGREED that Respondent Signworld Business Partners, Inc. enters into this Consent Order
18 freely and voluntarily and with a full understanding of its terms and significance.

19 IT IS AGREED that the Securities Division has jurisdiction to enter this order.

20 IT IS AGREED that in consideration of the foregoing, the Respondent waives their right to a hearing
21 and to judicial review of this matter pursuant to Chapter 34.05 RCW.

22 IT IS FURTHER AGREED that, except in any action by the Securities Division of the Washington
23 State Department of Financial Institutions, this Consent Order is not intended to be used as an admission or

1 evidence of any fault, omission or liability of Respondent Signworld Business Partners, Inc. in any civil,
2 criminal, arbitration, or administrative proceeding.

3

4 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

5

6 Signed this 20th day of September, 2024.

7

8 Signed by:

9 /s/ Jack Werner

10 _____
Signworld Business Partners, Inc.

11 Print Name: Jack Werner

12 Title: President

13

14 Approved as to form by:

15 /s/ Carlie Smith

16 _____
Carlie Smith, Attorney for Signworld Business Partners, Inc.

17

SIGNED and ENTERED this 8th day of October, 2024.

18

19

20

21

22

23



- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23

/s/
William M. Beatty
Securities Administrator

Approved by:

Presented by:

/s/
Brian J. Guerard
Chief of Enforcement

/s/
Anna Harkness
Financial Legal Examiner

Reviewed by:

/s/
Holly Mack-Kretzler
Financial Legal Examiner Supervisor