

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING) Order No.: S-20-2884-20-CO01
5 whether there has been a violation of the)
6 Franchise Investment Protection Act of) CONSENT ORDER
7 Washington by:)
8)
9 Skylette Team, Inc.,)
10)
11 Respondent)
12)

13 Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division and
14 Respondent Skylette Team, Inc. enter into this Consent Order to settle the matters addressed below.

15 Respondent Skylette Team neither admits nor denies the following Findings of Fact or Conclusions of Law:

16 **FINDINGS OF FACT**

17 Respondents

18 1. Skylette Team is a Texas corporation formed in 2017 for the purpose of operating a franchise system of ice
19 cream parlors in North America under the name Aqua S. Skylette Team is a master franchisee of Aqua S International,
20 LLC, which is a sister company to Aqua S International Limited. Aqua S International, which is incorporated in Hong
21 Kong, owns the Aqua S brand and proprietary marks and has opened Aqua S franchises in Australia, New Zealand, and
22 Asia.

23 Sale of Franchise in Washington

24 2. In May 2019, Skylette Team offered a Washington resident the right to operate an ice cream shop using the
25 Aqua S brand.

26 3. As part of this offer, Skylette Team provided the Washington resident with documents that the company
27 respectively titled “Franchise Disclosure Document” and “Franchise Agreement.”

28 4. The franchise agreement generally provided that for an initial \$25,000 fee, Skylette Team would grant the
29 Washington resident the right to operate an ice cream parlor using the Aqua S proprietary trademarks within a defined
30 geographic area in Washington. Skylette Team termed the \$25,000 fee a franchise fee.

31 5. Skylette Team’s franchise disclosure document and franchise agreement both extensively detailed the
32 company’s marketing plan, specifying, among other provisions, a franchisee’s required use of sales, display, and
33 merchandising equipment, a franchisee’s required purchase of specific products, and a franchisee’s required compliance
34 with the Skylette Team manual. In the franchise disclosure document and the franchise agreement, Skylette Team also

35 **CONSENT ORDER**

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

1 explained the franchise system's cooperative advertising program and the initial and ongoing training that Skylette Team
2 provides to franchisees.

3 6. In October 2019, the Washington resident signed the Skylette Team franchise agreement and paid \$25,000 to
4 become a Skylette Team franchisee.

5 7. As of this writing, the Washington resident's Aqua S business is not yet open.

6 Registration Status

7 8. Skylette Team is not currently registered to offer and sell franchises in Washington and has not previously
8 been registered to do so.

9 Based on the Findings of Fact described above, the following Conclusions of Law are made:

10 **CONCLUSIONS OF LAW**

11 1. The agreement that Skylette Team and the Washington resident entered into, as described above, constitutes
12 the offer and sale of a franchise as defined in RCW 19.100.010(6) and RCW 19.100.010(17).

13 2. Skylette Team's sale of this franchise violated RCW 19.100.020 because Skylette Team was not registered
14 with the Securities Division to offer or sell franchises in the state at the time of the sale.

15 **CONSENT ORDER**

16 Based on the foregoing and finding it in the public interest:

17 IT IS AGREED AND ORDERED that Skylette Team, its agents, and its employees shall each cease and desist
18 from offering or selling franchises in violation of RCW 19.100.020, the registration section of the Franchise
19 Investment Protection Act of the state of Washington.

20 IT IS FURTHER AGREED that prior to the entry of this Consent Order, Skylette Team shall be liable for and
21 shall pay the Securities Division the costs and expenses incurred in the investigation of this matter in the amount of
22 \$500.

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

IT IS FURTHER AGREED that Skylette Team enters into this Consent Order freely and voluntarily and with
full understanding of its terms and significance.

IT IS FURTHER AGREED that in consideration of the foregoing, Skylette Team waives its right to a hearing
and to judicial review of this matter.

Signed this ____7____ day of _____ May _____ 2020.

CONSENT ORDER

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

1 Skylette Team, Inc.

2
3 By _____/s/_____


4 Martina Yang
5 President of Skylette Team, Inc.

6
7
8 SIGNED and ENTERED this 21st day of May 2020.

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10 

11 _____
12 William M. Beatty
13 Securities Administrator

14 Approved by:

15 

16 _____
17 Suzanne Sarason
18 Chief of Enforcement

19 Presented by:

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21 _____
22 Eric Palosaari
23 Financial Legal Examiner

24 Reviewed by:

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26 _____
27 Jack McClellan
28 Financial Legal Examiner Supervisor

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