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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:

Order Number S-10-232-10-CO01

SVC Investments, Inc. d/b/a Orange Tree Frozen  
Yogurt;

CONSENT ORDER

Respondent.

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Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division of the Department of Financial Institutions (“Securities Division”) and Respondent, SVC Investments, Inc. d/b/a Orange Tree Frozen Yogurt, do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondent, SVC Investments, Inc. d/b/a Orange Tree Frozen Yogurt neither admits nor denies the Findings of Fact and Conclusions of Law stated below.

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**FINDINGS OF FACT**

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**I. Respondent**

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Respondent SVC Investments, Inc. d/b/a Orange Tree Frozen Yogurt is a California corporation that is in the business of manufacturing and marketing frozen yogurt products. Its principals and owners are Jin Park and Feng Wang.

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**II. Nature of the Offering**

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From 2008 to 2009, Respondent SVC Investments, Inc. offered and sold, by word of mouth, licenses to operate Orange Tree Frozen Yogurt stores in the state of Washington to two Oregon residents, a married couple, and one Washington resident. The stores were to be operated in shopping malls in Tacoma

1 and Tukwila, Washington respectively. Respondent granted the purchasers a license to use the Orange Tree  
2 Frozen Yogurt recipes, formulas, menus and marks. The Tacoma purchasers paid the Respondent a one  
3 time license fee of \$25,000. The license fee was waived for the Tukwila purchaser who was already  
4 operating under another frozen yogurt brand name.

5 The Respondent provided the licensees prior to or following the execution of the agreements with  
6 one or more types of assistance. Respondent provided the licensees with specifications for the store layout  
7 and/or signage. Respondent assisted the Tacoma licensees with finding an architect. Respondent assisted  
8 the licensees in finding a contractor to build the Orange Tree store signage. Respondent provided the  
9 Tacoma licensees with a list of equipment to be purchased, including a point of sale system. Respondent  
10 assisted licensees in setting up the stores. Respondent showed the Tacoma licensees how to make frozen  
11 yogurt. Respondent sold licensees its proprietary yogurt products, including powder, syrups, and toppings.  
12 Respondent advertised the Washington store locations on its company website.

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14 Respondent offered the licensees a contingent franchise by including a provision in the license  
15 agreements to “convert” from a licensee to a franchisee and require the payment of royalty and marketing  
16 fees in the event that the Respondent became registered or authorized to offer franchises in Washington  
17 State.

### 18 **III. Failure To Deliver Offering Circular**

19 Respondent SVC Investments, Inc. d/b/a Orange Tree Frozen Yogurt did not provide prospective  
20 purchasers with a disclosure document or offering circular as required by RCW 19.100.080 that contained  
21 the information about the franchise required by RCW 19.100.040.  
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1 **IV. Registration Status**

2 Respondent SVC Investments, Inc. d/b/a Orange Tree Frozen Yogurt is not currently registered  
3 to sell franchises in the state of Washington and has not previously been so registered.

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

5 **CONCLUSIONS OF LAW**

6 **I.**

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

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

13 **III.**

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

19 Based upon the foregoing:

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

1 IT IS FURTHER AGREED AND ORDERED that Respondent SVC Investments, Inc. 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 \$4,000,  
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 SVC Investments, Inc. enters into this Consent Order  
7 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 SVC Investments,  
10 Inc. waives its rights to a hearing in this matter and judicial review of this order.

11 SIGNED this 2nd day of September, 2010

12 Respondent SVC Investments, Inc. d/b/a Orange Tree Frozen Yogurt, by

13 \_\_\_\_\_  
14 /s/, CEO

15 Signature of Signer, Title

16 Print Name and Title Jin Yul Park, CEO

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

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24 WILLIAM M. BEATTY  
25 Securities Administrator

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Approved by:

Presented by:



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SUZANNE SARASON  
Chief of Enforcement

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MARTIN CORDELL  
Financial Legal Examiner

Reviewed by:



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ROBERT KONDRAT  
Financial Legal Examiner Supervisor