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

IN THE MATTER OF DETERMINING) Order No.: S-18-2396-18-CO01
whether there has been a violation of the)
Franchise Investment Protection Act of) CONSENT ORDER
Washington by:)
)
NEAT METHOD, INC., now known as AMM)
HOLDINGS, INC.)
)
Respondent)
)

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

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FINDINGS OF FACT

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Respondent

17 1. NEAT Method, Inc., now known as AMM Holdings, Inc. (“NEAT Method”) is a California
18 corporation formed on February 22, 2016, with its principal place of business in Mill Valley, California. On
19 September 21, 2017, NEAT Method changed its legal name to AMM Holdings, Inc., and is still an active
20 California corporation. Until at least August 2017, NEAT Method offered and sold businesses that provide
professional organizing services.

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Related Entity

23 2. NEAT Method is the predecessor company to NM Franchise Operations, LLC (“NM
24 Franchise”), a Delaware limited liability company formed on August 7, 2017, with its principal place of
25 business in Southaven, Mississippi. NM Franchise is in the business of offering and selling franchises that

1 provide professional organizing services to residential clients. On or around August 29, 2017, NM Franchise
2 acquired substantially all of NEAT Method's assets, including all of the licensing agreements that NEAT
3 Method had executed. NM Franchise currently has a pending franchise registration application with the
4 Securities Division.

5 **Nature of the Conduct**

6 3. On or around August 7, 2017, NEAT Method offered and sold one professional organizing
7 services business to two business partners who resided in Washington State.

8 4. Under the Licensing Agreement that NEAT Method entered into with the Washington partners,
9 NEAT Method granted the partners the limited, exclusive use of its trademarks and other intellectual property
10 in their business, the right to market themselves as a "NEAT Independent Organizing Professional," and the
11 ability to purchase and use marketing materials created by NEAT Method. The Licensing Agreement also
12 required NEAT Method to provide certain assistance or advice to the Washington partners in operating their
13 business and in selling their products and services, upon request. The Washington partners were required to
14 use pricing terms that were mutually agreed upon, and to use a service contract approved by NEAT Method.
15 The Washington partners had to submit every signed service contract to NEAT Method.
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17 5. To purchase their NEAT Method business, the Washington partners were required to pay
18 NEAT Method an initial fee of \$4,000, a subsequent annual fee of \$4,000, and 20% of gross revenues.

19 6. NEAT Method did not provide the Washington partners with any franchise disclosure
20 document prior to the sale of the NEAT Method business.

21 **Registration Status**

22 7. Respondent NEAT Method is not currently registered to sell its franchises in the state of
23 Washington and has not previously been so registered. There is no notification of exemption on file with the
24 state of Washington.
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1 Based upon the above Findings of Fact, the following Conclusions of Law are made:

2 **CONCLUSIONS OF LAW**

3 1. The offer and sale of the NEAT Method business as described above constitutes the offer or
4 sale of a franchise 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 franchise was in violation of RCW 19.100.020 because no registration
6 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 NEAT
8 Method failed to provide the franchisee with a franchise disclosure document prior to the sale of the franchises.

9 **CONSENT ORDER**

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

11 IT IS AGREED AND ORDERED that Respondent NEAT Method, Inc., now known as AMM
12 Holdings, Inc., and its agents and employees, shall each cease and desist from offering or selling franchises
13 in violation of RCW 19.100.020, the registration section of the Franchise Investment Protection Act of the
14 state of Washington.

15 IT IS FURTHER AGREED AND ORDERED that Respondent NEAT Method, Inc., now known as
16 AMM Holdings, Inc., and its agents and employees, shall each cease and desist from any violation of RCW
17 19.100.080, the franchise disclosure document section of the Franchise Investment Protection Act of the state
18 of Washington.

19 IT IS FURTHER AGREED AND ORDERED that Respondent NEAT Method, Inc., now known as
20 AMM Holdings, Inc., shall be liable for and shall pay investigative costs of \$500 prior to the entry of this
21 Consent Order.

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

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IT IS FURTHER AGREED that Respondent NEAT Method, Inc., now known as AMM Holdings, Inc., enters into this Consent Order freely and voluntarily and with a full understanding of its terms and significance.

IT IS FURTHER AGREED that in consideration of the foregoing, Respondent NEAT Method, Inc., now known as AMM Holdings, Inc., waives its right to a hearing and to judicial review of this matter.

Signed this 20th day of April, 2018

Signed by:
NEAT METHOD, INC., now known as AMM HOLDINGS, INC.

By /s/
ASHLEY MURPHY
Chief Executive Officer

Approved as to form by:
/s/
JOHN MOORE, Attorney for Respondent
Missouri Bar No. 42887

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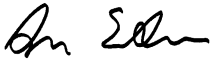
SIGNED and ENTERED this 26th day of April, 2018

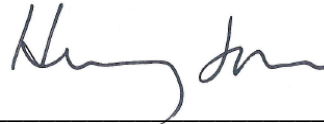


WILLIAM M. BEATTY
Securities Administrator

Approved by:

Presented by:





SUZANNE SARASON
Chief of Enforcement

HUONG LAM
Financial Legal Examiner

Reviewed by:



JACK MCCLELLAN
Financial Legal Examiner Supervisor