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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  
Washington Franchise Investment Protection  
Act:

360 Tour Designs & Marketing, LLC,  
  
Respondent.

Order No.: S-19-2680-19-CO01

CONSENT ORDER

8 Pursuant to the Washington Franchise Investment Protection Act, RCW 19.100, the Securities  
9 Division and Respondent, 360 Tour Designs & Marketing, LLC (“360 Tour Designs”), do hereby enter into  
10 this Consent Order in settlement of the matters alleged herein. Respondent 360 Tour Designs neither admits  
11 nor denies the Findings of Fact or Conclusions of Law as stated below.

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**FINDINGS OF FACT**

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**Respondents**

1. 360 Tour Designs is a Pennsylvania entity formed on March 11, 2010 with its principal place  
of business in Mechanicsburg, Pennsylvania. 360 Tour Designs is in the business of providing photography  
and other real estate imagery services to real estate agents, home builders, and property managers. 360 Tour  
Designs specializes in the use of emerging technologies such as 3D imagery, immersive media, and drone  
photography.

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**Registration Status**

2. Respondent 360 Tour Designs is not currently registered to sell franchises in the state of  
Washington and has not previously been so registered. There is no notification of exemption on file with the  
state of Washington. An affiliate, 360 Tour Designs Franchising, LLC, filed a franchise registration  
application with the Securities Division on May 10, 2019, which is currently pending.

CONSENT ORDER

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

1 **Nature of the Conduct**

2 3. In 2017, 360 Tour Designs began advertising its offering of territories it labeled a franchise in  
3 some of its advertisements, a label it omitted in some others. 360 Tour Designs advertised on the websites  
4 Franchise Direct, www.franchiseclique.com, America’s Best Franchises, Facebook, and  
5 www.photographyforrealestate.net. 360 Tour Designs’ advertised until at least August 2018, and its  
6 advertisements reached nationwide. All advertisements promoted the opportunity for purchasers to start their  
7 own territory ownership under 360 Tour Designs’ name.

8 4. 360 Tour Designs’ advertising generated interest in two Washington residents, including one  
9 who purchased a 360 Tour Designs territory (“Franchisee A”). Franchisee A began corresponding with 360  
10 Tour Designs in February 2018.

11 5. During their initial correspondence, 360 Tour Designs provided Franchisee A with a packet  
12 promoting the sale of its territories. 360 Tour Designs represented to Franchisee A that the average territory  
13 made sales of \$5,000.00 per month in the first year. 360 Tour Designs also represented that “several,” or,  
14 alternatively, a “high percentage” of its territories, earned \$10,000.00 a month in the first eighteen months,  
15 and that \$15,000.00 a month in sales after the first eighteen months “has been regularly achieved” by its  
16 territories. 360 Tour Designs did not provide the financial performance information of territories that did not  
17 achieve these earnings to Franchisee A.

18 6. 360 Tour Designs provided an “independent contractor agreement” to Franchisee A. 360 Tour  
19 Designs did not provide a franchise disclosure document with the agreement. When Franchisee A questioned  
20 the structure of the agreement, because it was his understanding that it would be a franchise, 360 Tour Designs  
21 responded that “it almost exclusively runs as a franchise,” but that it had to be careful with the wording  
22 because it was not one. Later, during contract negotiations, 360 Tour Designs reiterated that it had to be  
23 careful because “it was not a franchise yet.” Franchisee A wanted to purchase a franchise, and 360 Tour

1 Designs' representation to Franchisee A that he was not a franchisee delayed his consent to the agreement.  
2 360 Tour Designs did not provide a basis to Franchisee A for why the territory was not a franchise. 360 Tour  
3 Designs assured Franchisee A that he would own and build equity in the territory he purchased.

4 7. Before signing, Franchisee A requested to speak with other 360 Tour Designs territory owners.  
5 360 Tour Designs provided Franchisee A the contact information for only one territory owner, who owned  
6 multiple territories near the 360 Tour Designs' headquarters.

7 8. 360 Tour Designs charged Franchisee A an upfront fee, a secondary payment due a year from  
8 signing, and a monthly percentage of gross revenue. For this fee, 360 Tour Designs provides ongoing  
9 assistance and trained Franchisee A on topics such as photography and photo editing, its business system,  
10 and required equipment. 360 Tour Designs also licensed its trademarks to Franchisee A.

11 9. 360 Tour Designs and Franchisee A signed the agreement on August 15, 2018. Franchisee A  
12 started operating in his territory shortly after signing.

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

14 **CONCLUSIONS OF LAW**

15 1. The offer or sale of territories as described above constitutes the offer or sale of a franchise as  
16 defined in RCW 19.100.010(6), RCW 19.100.010(12), and RCW 19.100.010(17).

17 2. The offer or sale of said territories was in violation of RCW 19.100.020 because no registration  
18 for such offer or sale is on file with the Washington Securities Administrator.

19 3. The offer or sale of said territories was in violation of RCW 19.100.080 because 360 Tour  
20 Designs failed to provide the franchisee with a franchise disclosure document prior to the sale of the  
21 franchises.  
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1 Signed this \_\_\_\_9th\_\_\_\_ day of \_\_\_\_August\_\_\_\_, 2019

3 Signed by:

Approved as to form by:

4 360 Tour Designs & Marketing, LLC

5 By       /s/        
6 Greg Drake  
7 Member

      /s/        
Stephanie Grobler, Attorney for Respondent  
PA Attorney ID No. 93512

8 SIGNED and ENTERED this   21st   day of   August  , 2019

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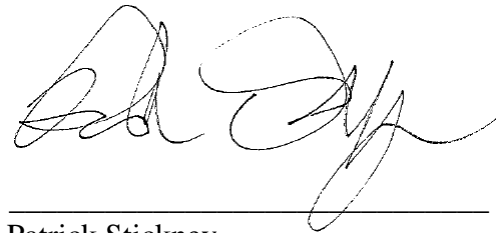
12 \_\_\_\_\_  
William M. Beatty  
Securities Administrator

14 Approved by:

Presented by:

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19 Suzanne Sarason  
Chief of Enforcement

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18 \_\_\_\_\_  
Patrick Stickney  
Financial Legal Examiner

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21 Reviewed by:

22 \_\_\_\_\_  
23 Jack McClellan  
Financial Legal Examiner Supervisor

CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
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Olympia, WA 98507-9033  
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