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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:

Sign Gypsies LLC;

Respondent

Order No.: S-19-2747-19-CO01

CONSENT ORDER

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division and Respondent Sign Gypsies LLC do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondent Sign Gypsies LLC neither admits nor denies the Findings of Fact or Conclusions of Law as stated below.

FINDINGS OF FACT

Respondent

1. Sign Gypsies LLC (“Sign Gypsies”) is a Texas limited liability company formed on July 12, 2016. Sign Gypsies has a principal place of business in McKinney, Texas. Sign Gypsies is a yard greeting business that provides customers with customized yard sign displays for birthdays and other occasions. The President of Sign Gypsies is Stacey Hess.

Nature of the Conduct

2. Between 2016 and 2019, Sign Gypsies offered and sold franchises through an affiliate licensing program to five residents of Washington, who were referred to as “affiliates.” Each affiliate received an exclusive territory in the state of Washington, where they operated a yard sign display business using Sign Gypsies’ trademarked name, logo, and marketing material. Sign Gypsies did not provide any of the affiliates with a franchise disclosure document (FDD).

CONSENT ORDER

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

1 3. Sign Gypsies provided details of its affiliate program on its website. Interested persons could
2 fill out an interest form on the website. Sign Gypsies representatives later contacted interested persons
3 regarding specific territories that were available in their area. Affiliates were required to reside in the vicinity
4 of their service area.

5 4. Sign Gypsies provided interested persons with an Information Sheet, which provided
6 additional information regarding its affiliate licensing program. Affiliates were required to hold themselves
7 out and do business as “Sign Gypsies.” Sign Gypsies provided a branded webpage for their territory. Sign
8 Gypsies provided affiliates with initial and ongoing training through online videos. A marketing firm
9 provided affiliates with training, best practices, and guidance regarding marketing and social media. Affiliates
10 were authorized to use all of Sign Gypsies’ social media banners and marketing campaigns.

11 5. Affiliates paid an annual Affiliate Fee to Sign Gypsies of between \$350 to \$500 per year.
12 Affiliates were also required to purchase a startup product package for approximately \$2,500, which included
13 yard signs to use in displays for customers. Affiliates could also purchase a variety of other signs from Sign
14 Gypsies.

15 6. In November 2016, Sign Gypsies entered into an affiliate agreement with a resident of Mill
16 Creek. The Mill Creek resident paid a \$350 annual fee to operate a Sign Gypsies business in the Eastside and
17 Snohomish area. In approximately December 2017 and December 2018, the Mill Creek resident signed two
18 additional one-year license agreements with Sign Gypsies and paid an affiliate fee of \$350 each year.

19 7. In April 2017, a Sign Gypsies LLC entered into a one-year affiliate agreement with a resident
20 of Vancouver, Washington, who paid a \$425 affiliate fee. In April 2018, the Vancouver resident entered into
21 a one-year license agreement with Sign Gypsies and paid an additional \$425 annual fee.

22 8. In September 2017, Sign Gypsies entered into a one-year license agreement with a resident of
23 Wauna, Washington, who paid \$425 to operate a Sign Gypsies business in the Gig Harbor area. In August

1 2018, the Wauna resident and her business partner entered into another license agreement and paid a \$425
2 affiliate fee to Sign Gypsies.

3 9. In May 2019, Sign Gypsies LLC entered into a one-year license agreement with a resident of
4 Gig Harbor, Washington, who paid \$500 to operate a Sign Gypsies business in an area surrounding Joint Base
5 Lewis McChord (JBLM).

6 10. In July 2019, Sign Gypsies LLC entered into a one-year license agreement with a resident of
7 Richland, Washington. The Richland resident paid a \$500 fee to operate a Sign Gypsies business in the Tri-
8 Cities area of Washington state.

9 **Registration Status**

10 11. Respondent Sign Gypsies LLC is not currently registered to sell franchises in the state of
11 Washington and has not previously been so registered. There is no notification of exemption on file with the
12 state of Washington.

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 the affiliate agreements and licensing agreements described above
16 constitutes the offer or sale of a franchise as defined in RCW 19.100.010(6), RCW 19.100.010(12), and
17 RCW 19.100.010(17).

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

20 3. The offer or sale of said franchises was in violation of RCW 19.100.080 because the
21 Respondent failed to provide the franchisees with a franchise disclosure document prior to the sale of the
22 franchises.

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CONSENT ORDER

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Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

1 **CONSENT ORDER**

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

3 IT IS AGREED AND ORDERED that Respondent Sign Gypsies LLC and their agents and employees
4 shall each cease and desist from offering or selling franchises in violation of RCW 19.100.020, the registration
5 section of the Franchise Investment Protection Act of the state of Washington.

6 IT IS FURTHER AGREED AND ORDERED that Respondent Sign Gypsies LLC and their agents
7 and employees shall each cease and desist from any violation of RCW 19.100.080, the franchise disclosure
8 document section of the Franchise Investment Protection Act of the state of Washington.

9 IT IS FURTHER AGREED AND ORDERED that Respondent Sign Gypsies LLC shall be liable for
10 and shall pay investigative costs of \$500 prior to the entry of this Consent Order.

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

12 IT IS FURTHER AGREED that Respondent Sign Gypsies LLC enters into this Consent Order freely
13 and voluntarily and with a full understanding of its terms and significance.

14 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Sign Gypsies LLC
15 waives its right to a hearing and to judicial review of this matter.

16 Signed this 2 day of October , 2019

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19 Signed by:
20 Sign Gypsies LLC

21 By /s/ _____
22 Stacey Hess, President

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SIGNED and ENTERED this 9th day of October, 2019



William M. Beatty
Securities Administrator

Approved by:



Suzanne Sarason
Chief of Enforcement

Presented by:



Robert Kondrat
Financial Legal Examiner