

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

**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:

Roomescape Kft.

Respondent

Order No.: S-19-2831-20-CO01

CONSENT ORDER

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

**FINDINGS OF FACT**

**Respondent**

1. Roomescape Kft. is a corporation based in Budapest, Hungary that was formed in 2013. Roomescape Kft. offered franchises involving the operation of an escape room business named “Fox in a Box” where small groups of players solve a series of puzzles to reach an objective within a specified time limit. The Managing Director of Roomescape Kft. is Gabor Cseh.

**Nature of the Conduct**

2. In December 2017, Roomescape Kft. entered into a written agreement with a Washington resident that was captioned “Cooperation Agreement relating to Roomescape Network Franchise system.” The agreement granted the Washington resident the right to operate a Fox in a Box franchise in the Seattle area. The Washington resident opened the franchise approximately two years later in November 2019.

3. Under the three-year agreement, the Washington resident (who was referred to as a

CONSENT ORDER

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

1 “Franchisee”) was required to a pay a one-time fee of \$30,500. In exchange for this fee, the franchisee  
2 received the right to use the company’s name, design, and marketing strategy. Roomescape Kft also provided  
3 the franchisee with various items, including a Facebook page, a website, a domain name, email addresses, and  
4 a reservation and voucher system. Under the agreement, the franchisee was required to pay a franchisee fee  
5 of 10% of its gross income, which was due on a quarterly basis. Roomescape Kft. did not provide the  
6 Washington franchisee with a franchise disclosure document (FDD).

7 4. A website for the Seattle location was later created, which offered franchises to the general  
8 public, including residents of Washington. The website contained a link labelled “Franchise” which described  
9 the company’s franchise network and listed the benefits of becoming a Fox in a Box franchisee. The website  
10 represented that it charged a “very low entry fee” and stated that “It only takes 2 to 3 months to set up a  
11 business in a new location.” The website stated that franchisees would receive marketing support and strategy  
12 from a marketing support team and represented that “The Fox in a Box brand provides customer recognition  
13 and a competitive edge in the market.” Interested persons could click on a link that was labelled “Become a  
14 Partner” which generated an email to the company.

15 5. In December 2018, Roomescape Kft. entered into a license agreement with Fox In A Box  
16 Americas LLC (a California limited liability company) to license the Fox in a Box service mark and logo as  
17 part of franchise program in the United States.

18 6. On June 7, 2019, Fox In A Box Americas LLC filed an initial franchise registration application  
19 with the Securities Division (DFI File No. 70016790) for the offer of Fox in a Box franchises. To date, that  
20 franchise registration application has not yet been approved.

21 //  
22 //  
23 //

1 **Registration Status**

2 7. Respondent Roomescape Kft. is not currently registered to sell franchises in the state of  
3 Washington and has not previously been so registered. There is no notification of exemption on file with the  
4 state of Washington.

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

6 **CONCLUSIONS OF LAW**

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

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

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

14 **CONSENT ORDER**

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

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

19 IT IS FURTHER AGREED AND ORDERED that Respondent Roomescape Kft. and their agents and  
20 employees shall each cease and desist from any violation of RCW 19.100.080, the franchise disclosure  
21 document section of the Franchise Investment Protection Act of the state of Washington.

22 IT IS FURTHER AGREED AND ORDERED that Respondent Roomescape Kft. shall be liable for  
23 and shall pay investigative costs of \$500 prior to the entry of this Consent Order.

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

2 IT IS FURTHER AGREED that Respondent Roomescape Kft. enters into this Consent Order freely  
3 and voluntarily and with a full understanding of its terms and significance.

4 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Roomescape Kft.  
5 waives its right to a hearing and to judicial review of this matter.

6 Signed this 26 day of February, 2020

7  
8 Signed by:  
9 Roomescape Kft.

10 By /s/  
11 Gabor Cseh, Managing Director

12  
13  
14 SIGNED and ENTERED this 5th day of March, 2020

15 

16  
17 \_\_\_\_\_  
18 William M. Beatty  
19 Securities Administrator

20 Approved by:

21 

22 \_\_\_\_\_  
23 Suzanne Sarason  
Chief of Enforcement

Presented by:

24 

25 \_\_\_\_\_  
Robert Kondrat  
Financial Legal Examiner

CONSENT ORDER

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