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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:

QB Franchising, Inc.,
Jodi Shays,
Todd Shays,

Respondents.

Order No.: S-23-3628-23-CO01

CONSENT ORDER

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division and Respondents QB Franchising, Inc., Jodi Shays, and Todd Shays, do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondents QB Franchising, Inc., Jodi Shays, and Todd Shays, neither admit nor deny the Findings of Fact or Conclusions of Law as stated below.

FINDINGS OF FACT

Respondents

1. QB Franchising, Inc. (“QB Franchising”), a Texas Corporation engaged in the business of offering and selling “Queen Bee Salon & Spa” franchises, was formed on August 29, 2022.

2. Jodi Shays (“Jodi”) is a Texas resident. Jodi serves as the CEO and co-founder of QB Franchising and Queen Bee.

3. Todd Shays (“Todd”) is a Texas resident. Todd serves as the CFO and co-founder of QB Franchising and Queen Bee.

CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 41200
Olympia, WA 98504-1200
360-902-8760

1 Related Persons and Entities

2 4. QB Operating Group, Inc. (“QB Operating”) is a Texas corporation formed on November 5,
3 2021. QB Operating is in the business of esthetics and owns and operates a Queen Bee Salon. QB Operating
4 owns the Queen Bee trademarks and granted QB Franchising a license to sublicense the marks to franchisees.
5 QB Operating is also affiliated with Bee the Queen, Inc., who owns a location in California. (These entities
are hereinafter referred to collectively as “Queen Bee”.)

6 **Nature of the Conduct**

7 *Background*

8 5. Queen Bee owned and operated a Seattle, WA location from 2014 until January 23, 2023. In
9 the summer of 2022, QB Franchising, Jodi, and Todd (collectively “Respondents”) offered and sold an
10 unregistered franchise in the state of Washington to the manager of the Queen Bee-owned Seattle location via
11 oral agreement. As part of the agreement, the existing Queen Bee location would cease operations and the
12 Seattle franchisee would open a new franchise location (the “Seattle franchise location”) in Seattle, WA. The
Seattle franchise location opened in February of 2023. Respondents did not provide the Seattle franchisee a
13 copy of their Franchise Disclosure Document.

14 *QB Franchising Grants the Right to Use its Trademarks and Tradenames to the Seattle Franchisee*

15 6. Respondents, through QB Franchising, licensed to the Seattle franchise location the right to
16 use the Queen Bee proprietary marks and signage. Respondents were consulted on and permit the Seattle
franchise location to use the “Queen Bee” trade name and signage. The Seattle franchise location also uses
17 and sells Queen Bee branded products.

18 *QB Franchising Provided a Marketing Plan to its Franchisee*

1 7. Respondents provided the Seattle franchisee with operational support including: business
2 management tips; training on how to utilize Yelp; choosing signage; and answering any questions the
3 franchisee may have regarding the operation of the business.

4 8. The Seattle franchise is required to use and sell Queen Bee branded products. The Seattle
5 franchise location is listed on QB Franchising’s website (www.queenbeesalonspa.com) as one of their
6 locations. The Seattle franchisee uses marketing materials created by QB Franchising and Queen Bee.
7 Additionally, the Seattle Franchise location’s Instagram posts are shared by QB Franchising’s Instagram
8 account (@queenbeesalonspa). Ownership of the Seattle franchise location’s Yelp page was transferred by
9 Todd from QB Franchising to the Seattle franchisee prior to the Seattle franchise’s opening. The Seattle
10 franchise location’s booking software is also a sub-account of the parent QB Franchising account.

11 *QB Franchising and the Franchisee Agreed to Pay a Franchise Fee*

12 9. The Seattle franchisee orally agreed to pay QB Franchising a “licensing fee” once a contract
13 was signed. QB Franchising and the Shays told the franchisee that a contract would be signed once QB
14 Franchising was registered for the sale of franchises in the state of Washington.¹

15 *Voluntary Disclosure of the Sales of a Franchise in Washington*

16 10. On May 10, 2023, QB Franchising applied to the Washington State Securities Division of the
17 Department of Financial Institutions for the Initial Registration of an Offer and Sale of Franchises.

18 11. QB Franchising voluntarily disclosed to the Division that the Seattle area Queen Bee Salon &
19 Spa may be an unregistered franchise.

20 **Registration Status**

21 ¹ QB Franchising is now registering for the sale of Franchises in Washington and is charging \$5,000 for an “initial franchise
22 fee.”

1 in violation of RCW 19.100.080, the disclosure document section of the Franchise Investment Protection Act
2 of the state of Washington.

3 IT IS FURTHER AGREED AND ORDERED that Respondents QB Franchising, Jodi Shays, and
4 Todd Shays shall be liable for and shall pay investigative costs of \$1,250.00 prior to the entry of this Consent
5 Order.

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

7 IT IS FURTHER AGREED that Respondents QB Franchising, Jodi Shays, and Todd Shays enter into
8 this Consent Order freely and voluntarily and with a full understanding of its terms and significance.

9 IT IS FURTHER AGREED that in consideration of the foregoing, Respondents QB Franchising, Jodi
10 Shays, and Todd Shays waive their right to a hearing and to judicial review of this matter.

11 Signed this 23 day of October, 2023

12 /s/Todd Shays

13 QB Franchising, Inc.

14 Print Name: Todd Shays

15 Title: Vice President

16
17 Sign by:

18
19
20 CONSENT ORDER

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/s/Jodi Shays

Jodi Shays, Individually

Sign by:

/s/Todd Shays

Todd Shays, Individually

Approved as to form by:

/s/Matthew Soroky
Matthew Soroky
Attorney for Respondents

SIGNED and ENTERED this 31st day of October, 2023

_____/s/William Beatty_____
William M. Beatty
Securities Administrator

Approved by:

_____/s/Brian Guerard_____
Brian Guerard
Chief of Enforcement

Presented by:

/s/Keenan Osborne

Keenan Osborne
Financial Legal Examiner

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Reviewed by:

/s/Holly Mack-Kretzler

Holly Mack-Kretzler
Financial Legal Examiner Supervisor



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