

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 by:

Order Number S-05-004-05-CO01

CONSENT ORDER

Dry Cleaning To-Your-Door, Inc., and Margo
A. Sloan,

Respondents.

INTRODUCTION

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division of the Department of Financial Institutions and Respondents, Dry Cleaning To-Your-Door, Inc., and Margo A. Sloan, do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondents neither admit nor deny the Findings of Fact and Conclusions of Law as set forth below.

FINDINGS OF FACT

Respondents

1. Dry Cleaning To-Your-Door, Inc. (“DCTYD”) is an Oregon corporation with a principal business address of 4491 NW Hidden Lake Loop, Waldport, OR 97394.

2. Margo A. Sloan (“Sloan”) is an officer and sole shareholder of DCTYD.

Entity History

3. DCTYD was originally incorporated in Florida by Sloan as Dry Cleaning To-Your-Door Franchise Corporation. On January 1, 2000, Sloan purportedly liquidated the Florida corporation and continued the franchise business in the form of a sole proprietorship until October 1, 2003. On

1 October 1, 2003, Sloan contributed the assets and liabilities of the franchise business to the new
2 Oregon corporation, DCTYD.

3 Nature of Offering

4 4. DCTYD is the seller of an opportunity to operate, pick up, and deliver dry cleaning services.
5 Purchasers of the opportunity are provided with training, as well as operations manuals and materials
6 that include systems, equipment, methods, and products, to provide such dry cleaning services.
7 Purchasers are entitled to ongoing assistance and advice relating to operation of the business.
8 Purchasers of the opportunity are obligated to pay an initial fee of \$18,500 or \$19,900 and are entitled
9 to use the marks and associated trade names, trademarks, service marks, logotypes and other
10 commercial symbols associated with DCTYD.

11 5. DCTYD offered and sold its opportunity to two Washington residents for operation within the
12 state of Washington.

13 6. After sending a franchise offering circular on July 20, 2001, DCTYD (using the name of the
14 Florida corporation) entered into a franchise agreement with the first Washington resident on August
15 28, 2001. The first Washington resident paid an initial franchise fee of \$18,500.

16 7. After sending a franchise offering circular on June 1, 2002, DCTYD (using the name of the
17 Florida corporation) entered into a franchise agreement with the second Washington resident on
18 August 9, 2002. The second Washington resident paid an initial franchise fee of \$19,900.

19 8. Neither franchise offering circular sent to the two Washington residents contained an Item 20
20 with a list of outlets. Additionally, there was no statement from an independent CPA included with the
21 purported audited financial statements.
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Registration Status

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2 9. DCTYC is not currently and has not previously been registered to offer or sell franchises in the
3 state of Washington.

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

CONCLUSIONS OF LAW

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6 1. The offer and/or sale of the opportunity described above constitute the offer and/or sale of a
7 franchise as defined in RCW 19.100.010(16) and RCW 19.100.010(4).

8 2. The offer and/or sale of the above-described franchise opportunity was in violation of RCW
9 19.100.020, the registration requirement provision of the Franchise Investment Protection Act, because
10 no registration for offers and/or sales is or has been effective with the Securities Division.

11 3. The offer and/or sale of the above-described franchise opportunity was made in violation of
12 RCW 19.100.080 and RCW 19.100.170 because Respondents did not provide the Washington
13 purchasers with a UFOC that contained all material information about the franchise opportunity
14 including, but not necessarily limited to, a list of outlets and an audited financial statement for the
15 seller.
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CONSENT ORDER

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18 Based upon the foregoing:

19 IT IS THEREFORE AGREED AND ORDERED that Respondents, Dry Cleaning To-Your-Door,
20 Inc., and Margo A. Sloan, each shall refrain from the offer and/or sale of franchises in the State of
21 Washington in violation of RCW19.100.020, the registration requirement provision of the Franchise
22 Investment Protection Act.
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1 IT IS THEREFORE AGREED AND ORDERED that Respondents, Dry Cleaning To-Your-Door,
2 Inc., and Margo A. Sloan, each shall refrain from the offer and/or sale of franchises in the State of
3 Washington in violation of RCW19.100.080 and RCW 19.100.170, the disclosure and anti-fraud provisions
4 of the Franchise Investment Protection Act.

5 IT IS FURTHER AGREED that Respondents shall reimburse the Securities Division \$1,000 for its
6 costs of investigation payable prior to the Securities Division's entry of this Order.

7 IT IS FURTHER AGREED that Respondents shall disclose the existence and contents of this Order
8 in any franchise registration disclosure document approved for use in the State of Washington, such
9 requirement commencing from the date of entry of this Order.

10 IT IS FURTHER AGREED that, within 60 days of the entry of this order, Respondents shall make a
11 written offer of rescission to the Washington franchisees, to include (1) an offer to repay the franchisee's
12 initial franchise fee, (2) a provision that the franchisee has thirty days from the date of receipt of the offer to
13 provide Respondents with written notification of their decision to accept or reject the offer, (3) a copy of the
14 DCTYD UFOC, and (4) the cover letter reviewed by the Securities Division (see Exhibit 1). Respondents
15 must provide evidence of compliance with this provision and whether the offer of rescission was accepted,
16 rejected, or lapsed.

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18 IT IS FURTHER AGREED that Respondents waive their rights to a hearing or judicial review of
19 this matter.

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

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24 Signed this _____ day of February, 2005.

25 CONSENT ORDER

1 Approved for entry by:

2 _____/s/_____

3 John R. Previs
4 Attorney for Respondents

4 Dry Cleaning To-Your-Door, Inc. by:

5 _____/s/_____

6 Margo A. Sloan, President

7 _____/s/_____

8 By Margo A. Sloan (individually)

9 This Order signed and entered by the Securities Division this 1st day of March, 2005.

10 By:

11 

12 _____
13 Michael E. Stevenson
14 Securities Administrator

15 Approved for entry by:

16 _____/s/_____

17 Martin Cordell
18 Chief of Enforcement

19 Presented by:

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21 _____
22 Dylan Waits
23 Financial Legal Examiner

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EXHIBIT 1

(Appended in the original in the Rescission Offer Letter)