

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of,

TEDDY BEAR MOBILE, INC.

Respondent.

CONSENT ORDER TO CEASE
AND DESIST AND IMPOSING
ADMINISTRATIVE ASSESSMENT

DFI Case No. S-246870 (FX)

I.

The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities (“Division”), having legal authority and jurisdiction to administer and enforce the Wisconsin Franchise Investment Law, Wis. Stats. Ch. 553 (“Ch. 553”) and rules and orders promulgated thereunder, and having determined that this action is necessary and appropriate in the public interest and for the protection of investors, hereby enters this Order as follows:

II.

Division staff have presented evidence sufficient for the Administrator to make the following findings of fact and conclusions of law:

A. Findings of Fact

Respondent

1. Teddy Bear Mobile, Inc. is a corporation incorporated in the State of Delaware on or about January 23, 2019 with a last known address of 16192 Coastal Hwy, Lewes, Delaware, 19958.

Conduct

2. Teddy Bear Mobile, Inc. has never been registered with the Division to sell franchises in Wisconsin.
3. Franchisees ZC and DC are adult residents of Wisconsin.
4. Between September 18, 2020 and October 1, 2020, Franchisees ZC and DC paid an initial franchise fee of \$4,000 to Teddy Bear Mobile, Inc. for their franchise.
5. On or about December October 3, 2020 Franchisees ZC and DC signed a franchise agreement with Teddy Bear Mobile, Inc.

B. Conclusions of Law

Legal Authority and Jurisdiction

6. The Administrator has legal authority and jurisdiction over the conduct described above, pursuant to Ch. 553 and the rules and orders promulgated thereunder.
7. Teddy Bear Mobile, Inc. is a franchisor pursuant to Wis. Stat. § 553.03(6).
8. The agreement between Teddy Bear Mobile, Inc. and Franchisees ZC is a franchise pursuant to Wis. Stat. § 553.03(4)(a).
9. Pursuant to Wis. Stat. § 553.21, no person may sell any franchise in Wisconsin unless the franchise has been registered under Ch. 553 or is exempted under Wis. Stats. §§ 553.23, 553.235 or 553.25.

Violation

10. As described above in ¶¶ 1-5, Teddy Bear Mobile, Inc. violated Wis. Stat. § 553.21 when they sold a franchise in Wisconsin without being registered with the Division.

III.

In view of the above findings of fact and conclusions of law, the Administrator deems it necessary and appropriate in the public interest and for the protection of investors, and pursuant to its legal authority and jurisdiction under Ch. 553, to issue the following orders and notices:

A. Consent Orders issued pursuant to Wis. Stat. § 553.60

- (a) IT IS ORDERED that TEDDY BEAR MOBILE, INC., its agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of TEDDY BEAR MOBILE, INC., shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of franchises unless and until such franchises are registered or are exempted from registration under Ch. 553 or successor statute.
- (b) IT IS ORDERED that an administrative assessment in the amount of \$5,000 is imposed on TEDDY BEAR MOBILE, INC., pursuant to Wis. Stat. § 553.605. Such payment shall be made payable to the Wisconsin Department of Financial Institutions and shall be remitted to the Division by no later than December 1, 2023.
- (c) PLEASE TAKE NOTICE that this Order is effective upon the date it is made and filed, pursuant to Wis. Stat. § 553.58(5). This order and made and filed on the date of its issuance.

B. Service of Order

- (d) IT IS FURTHER ORDERED that this Order shall be sent promptly by certified mail to each party named in the order at his or her last known address or to the party's attorney of record or shall be personally served upon the party or the party's attorney of record, pursuant to Wis. Stat. § 553.58(5), Wis. Admin. Code §§ DFI-Sec. 36.01 and DFI-Sec. 8.06. This Order shall also be served upon the office of the Division pursuant to Wis. Stat. § 553.73.
- (e) PLEASE TAKE NOTICE that the date of the service of this Order is the date it is placed in the mail. If the Order is served personally, the date of service is the date personal service is completed upon the Respondent or the Respondent's attorney. You are advised that any willful violation of an Order issued by the Division under Ch. 553 is a criminal offense punishable under the provisions of Wis. Stat. § 553.52.

C. Notifications

- (f) IT IS NOTICED that this Order consented to by TEDDY BEAR MOBILE, INC., prohibits TEDDY BEAR MOBILE, INC., from making or causing to be made any offers or sales of franchises to any person or entity in Wisconsin, per the terms of the Consent Orders issued pursuant to Wis. Stat. § 553.60.
- (g) IT IS FURTHER NOTICED that this Order is effective on the date it is issued. TEDDY BEAR MOBILE, INC., is advised that any willful violation of an Order issued by the Division under Ch. 553 is a criminal offense punishable under the provisions of Wis. Stat. § 553.52.

EXECUTED at Madison, Wisconsin, this 3rd day of August, 2023.



Leslie M. Van Buskirk

Leslie M. Van Buskirk
Administrator

Division of Securities
State of Wisconsin
Department of Financial Institutions
4822 Madison Yards Way
Madison, Wisconsin 53705

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of,

WAIVER AND CONSENT TO ORDER

TEDDY BEAR MOBILE, INC.,

Respondent.

DFI Case No. S-246870 (FX)

The undersigned Respondent, TEDDY BEAR MOBILE, INC., having decided not to contest the issuance of the attached Order, hereby waive their right to a hearing with respect to this matter, including waiving findings of fact and conclusions of law as may otherwise be required for the Order, and hereby consent to the issuance of the Order.

Respondent hereby acknowledges that, in exchange for Respondent's voluntary consent and agreement to cease and desist from further violations of Ch. 553, payment of administrative assessment, and other conditions as described in the attached Order, the Division agrees to forgo further legal action, and to resolve this matter by issuance of the attached Order.

The undersigned Respondent understands and agrees that the attached Order shall prohibit Respondent from offering and selling franchises in the State of Wisconsin except as allowed and described by the terms of the Order.

If Respondent fails to comply with any condition or term of the Order, the Division reserves all rights under the law to enforce the Order against Respondent. Respondent acknowledges and accepts Dane County as the exclusive venue for any enforcement action or other proceeding solely between the parties and directly relating to the Order.

The undersigned Respondent understands the Order, when signed by the Administrator of the Division of Securities, is effective on the date issued and that a willful violation of an Order signed by the Administrator is a criminal offense pursuant to Wis. Stat. § 553.52.




Anthony J. Spinelli, CEO on behalf of
TEDDY BEAR MOBILE, INC.

State of New York)
County of Nassau)

Subscribed before me this

30 day of June, 2023.


Notary Public

My commission is permanent/expires 08/19/2023.

Laurie Ann Wagonfeld
Notary Public, State of New York
Reg. No. 01WA6396360
Qualified in Nassau County
My Commission Expires August 19, 2023



State of Wisconsin
Department of Financial Institutions

Tony Evers, Governor

Cheryll Olson-Collins, Secretary-designee

AFFIDAVIT OF SERVICE
AND COMPLIANCE WITH WIS. STAT. § 551.611

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, KATHERINE CLEMENTI, first being duly sworn, depose and state:

- 1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.
2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by certified mail upon Teddy Bear Mobile, Inc. at their last known address of 16192 Coastal Hwy., Lewes, Delaware 19958:
i. A copy of the Consent Order to Cease and Desist and Imposing Administrative Assessment; Waiver and Consent to Order; DFI Case No. S-246870 (EX); and
ii. A copy of this Affidavit of Service.
3. In compliance with Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07, I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Katherine Clementi (handwritten signature)

KATHERINE CLEMENTI

State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me

This 3 day of August, 2023.

Bonnie J. Kusek (handwritten signature)

Notary Public, State of Wisconsin

My commission expires 2/12/2024.

(Notary Seal)

