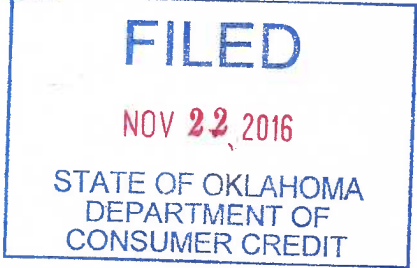


BEFORE THE ADMINISTRATOR OF CONSUMER CREDIT
STATE OF OKLAHOMA

STATE OF OKLAHOMA, ex rel.,)
DEPARTMENT OF CONSUMER)
CREDIT,)
)
Petitioner)
)
v.)
)
COWBOY INVESTMENT GROUP, LLC)
D/B/A MASSAGE ENVY,)
)
Respondent)

Case No. 16-0171-DIS



CONSENT ORDER

The Petitioner, State of Oklahoma, ex rel., Department of Consumer Credit ("Petitioner") and the Respondent, Cowboy Investment Group, LLC, d/b/a Massage Envy, "Respondent") voluntarily enter into this Consent Order as an informal disposition of this individual proceeding to avoid litigation. The Respondent agrees to waive its right to a hearing under the Oklahoma Administrative Procedures Act and both parties agree as follows:

(1) The Petitioner restates and incorporates by reference the allegations made by the Petitioner in the Notice of Hearing filed in this matter.

- i. The Respondent is a domestic limited liability company in the State of Oklahoma; active status, Oklahoma Secretary of State registration number 3512504757.
- ii. The Respondent transacts business as a health spa at the following locations in the State of Oklahoma (referred to in this Notice of Hearing as "locations of the Respondent"):
 - a. 13801 N. Pennsylvania, Ste. B, Oklahoma City, OK 73134;
 - b. 10700 S. Pennsylvania, Ste. 23, Oklahoma City, OK 73170;

- iii. On September 13, 2016, Skyler Fleetwood, a Consumer Credit Examiner for the Petitioner, called the Massage Envy location at 13801 N. Pennsylvania, Ste. B, Oklahoma City, OK 73134. The examiner spoke to an associate named Kristie. The examiner asked about information regarding the massage therapy packages. Kristie mentioned the "Wellness Program" which offers either a 6-month or 12-month contract for \$59.99 monthly which allows a person to receive one, 1-hour long massage per month.
- iv. In addition, Kristie informed the examiner that there is a \$49 enrollment fee for the 6-month contract option and that there is no enrollment fee for the 12-month contract option.
- v. Kristie faxed a copy of the current application to the examiner as requested. The application lists different payment terms available. There is a month to month option which includes an enrollment fee. Payments are automatically charged to the credit card on file until the Agreement is cancelled or terminated. The contract will renew automatically on a month to month basis until cancelled or terminated. There is also an option to pay the amount in full.
- vi. An Initial Term is decided at the time of enrollment. During the Initial Term, the consumer may cancel the Agreement if the consumer provides written proof that the consumer has moved more than 25 miles from the residence as of the date the agreement was signed and such relocation put the consumer more than 25 miles away from any Massage Envy location. Another option for cancellation is that the consumer can provide a written statement from a medical provider certifying that the consumer is unable to receive massages for medical reasons or there are other extenuating circumstances that exist that the owner can decide in sole discretion that the agreement can be cancelled.

- vii. After the Initial Term, the consumer may cancel the Agreement at any time upon written notice and the cancellation request will become effective ten (10) days after the request is received.
- viii. The examiner confirmed that the business locations in Oklahoma City were open and engaged and/or offering to engage in health spa services. The location at 10700 S. Pennsylvania, Ste. 23, has advertising on the window listing the \$49.99 and \$59.99 massage programs available.
- ix. As of September 26, 2016, the Respondent is not registered as a health spa in the State of Oklahoma at the locations of the Respondent.
- x. The Respondent has failed to pay the fees related to the health spa registration. ADMIN. CODE § 160:5-1-2(5)(A), (B) and (C).
- xi. The Respondent is not licensed in the State of Oklahoma pursuant to the provisions of 14A O.S. §§ 6-201 through 6-203 of the UCCC. 14A O.S. § 6-203(2).
- xii. The Respondent did not file notification pursuant to the provisions of Section 6-201 of the UCCC, on or before January 31, 2016.
- xiii. Respondent has failed to pay the notification filing fee of \$120.00 for each business location pursuant to OKLA. ADMIN. CODE § 160:5-1-2(2)(A).

(2) The Respondent does not admit to the allegations made by the Petitioner in the Notice of Hearing filed in this matter, and incorporated by reference in this Consent Order.

(3) The Respondent agrees to pay a \$10,000.00 civil penalty, payable to the Oklahoma Department of Consumer Credit, in the following terms:

- i. \$2,500 payment to be made on or before November 28, 2016;
- ii. The remaining \$7,500 to be paid to the Department of Consumer Credit in monthly payment

of \$625.00, due on or before the 1st day of the month, beginning on January 1, 2017.

- iii. If the Respondent misses a monthly payment, the Respondent's license will be suspended and the remaining balance will be due in full.

(4) The payment shall be made payable by check or money order to the Oklahoma Department of Consumer Credit, shall indicate the payment is for Case Number 16-0171-DIS and shall be addressed to the attention of Roy John Martin, General Counsel, Department of Consumer Credit, 3613 N.W. 56th Street, Suite 240, Oklahoma City, Oklahoma 73112.

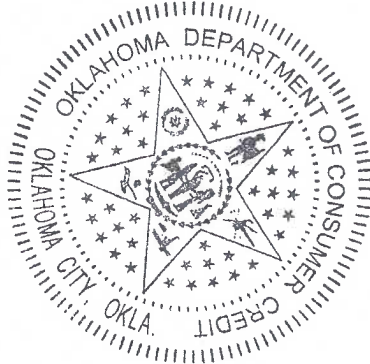
(5) A file stamped copy of this Consent Order will be returned to the Respondent upon signature of the Administrator of the Department of Consumer Credit or the Deputy Administrator of the Department Consumer Credit.

(6) The Respondent agrees to submit a health spa application as to both Respondent's business locations, pursuant to the Oklahoma Health Spa Act, 59 O.S. § 2009(F), on or before November 28, 2016. The Respondent agrees to pay all applicable fees associated with the Health Spa license application.

(7) The Respondent agrees to submit a notification license application, pursuant to the provisions of 14A O.S. §§ 6-201 through 6-203 of the UCCC. 14A O.S. § 6-203(2), on or before November 28, 2016. The Respondent agrees to pay all applicable fees associated with the notification license application.

(8) The applications and applicable registration fees shall be submitted to the attention of Roy John Martin, General Counsel, Department of Consumer Credit, 3613 NW 56th Street, Suite 240, Oklahoma City, Oklahoma 73112.

(9) If the Respondent fails to comply with the terms of this Consent Order, the Administrator of the Department of Consumer Credit is authorized to file an application to enforce this Consent Order in the District Court of Oklahoma County, Oklahoma in accordance with the provisions of 14 O.S. § 6-113(4).



Scott Lesher
Administrator
State of Oklahoma
Department of Consumer Credit

Dated: 11/22/16

Cowboy Investment Group, LLC
d/b/a Massage Envy



By: Garret Steggs, Manager [Signature]

Dated: Nov-18-16

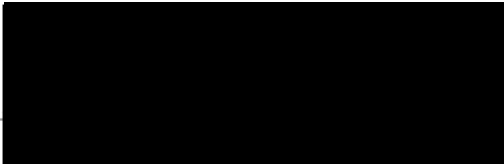
VERIFICATION OF CONSENT ORDER, CASE NUMBER 16-0171-DIS

STATE OF Oklahoma)
)
COUNTY OF Oklahoma)

Signed and sworn to (or affirmed) before me on Nov-18, 2016,
by Garret Steggs, as Manager of Cowboy Investment Group, d/b/a
Massage Envy.



Garret Steggs, Manager *u*
Cowboy Investment Group
d/b/a Massage Envy



(Seal, if any)



Notary Public

My commission expires:

08/12/20