

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, JULY 13, 2010

COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2010-00006

CELLAIRIS FRANCHISE, INC.

and

KOSTANTINOS R. SKOURAS,

Defendants

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that Cellairis Franchise, Inc. and Konstantinos R. Skouras ("Defendants"): (i) violated § 13.1-563 (b) of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq.* of the Code of Virginia, by making untrue statements of a material fact or omitting to state a material fact necessary in order to avoid misleading the offeree in connection with the sale or offer to sell a franchise; and (ii) violated § 13.1-563 (e) (ii) by failing to, directly or indirectly, provide franchisees with such disclosure documents as may be required by rule or order of the State Corporation Commission ("Commission").¹

The Commission is authorized by § 13.1-562 of the Act to revoke the Defendants' registration, by § 13.1-568 of the Act to issue temporary or permanent injunctions, by § 13.1-570 of the Act to impose certain monetary penalties and to request the Defendants make rescission and restitution, and by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

¹ Effective July 1, 2009, § 13.1-563 of the Code of Virginia was amended by the General Assembly. The amendment had no bearing on the Division's allegations and the facts of this case.

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CLERK OF COURT

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COMMONWEALTH OF VIRGINIA

The Defendants neither admit nor deny these allegations but admit to the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Commission wherein the Defendants will abide by and comply with the following terms and undertakings:

(1) The Defendants will pay to the Treasurer of the Commonwealth of Virginia, contemporaneously with the entry of this Order, the amount of Fifteen Thousand Dollars (\$15,000) in monetary penalties.

(2) The Defendants will pay to the Treasurer of the Commonwealth of Virginia, contemporaneously with the entry of this Order, the amount of Five Thousand Dollars (\$5,000) to defray the costs of investigation.

(3) The Defendants will provide a copy of this Order to every current and former franchisee who operated a location in the Commonwealth of Virginia.

(4) The Defendants will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendants.

The Commission, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Division, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted;

(2) The Defendants fully comply with the aforesaid terms and undertakings of this settlement; and

(3) This case is dismissed and the papers herein shall be placed in the file for ended causes.

Dismissal of this case does not relieve the Defendants from their reporting obligations to any regulatory authority.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Kostantinos R. Skouras, Cellairis Franchise, Inc., 6485 Shiloh Road, Building B-100, Alpharetta, Georgia 30005; Jason Adler, Esquire, Kaufman, Miller & Siversten, P.C., 8215 Roswell Road, Building 800, Atlanta, Georgia 30350-6445; and a copy shall be delivered to the Commission's Office of General Counsel and Division of Securities and Retail Franchising.

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Defendants

ADMISSION AND CONSENT

The Defendants, Cellairis Franchise, Inc. and Kostantinos R. Skouras, admit to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof and, neither admitting nor denying the allegations made herein by the Division of Securities and Retail Franchising, hereby consent to the form, substance and entry of the foregoing Settlement Order.

The Defendants further state that no offer, tender, threat or promise of any kind whatsoever has been made by the Commission or any member, subordinate, employee, agent or representative thereof in consideration of the foregoing Settlement Order.

Cellairis Franchise, Inc.

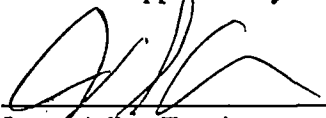
Date: 6/8/10

By: 
Kostantinos R. Skouras, CEO

Date: 6/8/10

By: 
Kostantinos R. Skouras, CEO

Seen and Approved By:


Jason Adler, Esquire
Kaufman, Miller & Siversten, P.C.