

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 21, 2013

COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2012-00042

AAMCO TRANSMISSIONS, INC.,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of AAMCO Transmissions, Inc. ("AAMCO"), pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq.* of the Code of Virginia ("Code").

AAMCO is a Pennsylvania corporation formed on November 6, 1963. Marc Graham ("Graham") was President and CEO of AAMCO from September 2009 until February 2013. Graham was President of an entity, EZ Lube, LLC, when it filed for bankruptcy in December 2008. Graham first became President of EZ Lube, LLC, in April 2008. Despite this short tenure, this information was a disclosable item to be included in Item 4 of a Franchise Disclosure Document ("FDD"). Failure to disclose this information in the FDD violates § 13.1-563 (2) of the Act. Graham became President and CEO of AAMCO in September 2009. AAMCO did not disclose in its FDD Graham's involvement with EZ Lube, LLC, until AAMCO made its filing with the Division in May of 2012.

Based on the investigation, the Division alleges the Defendant violated § 13.1-563 (2) of the Act 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.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-562 of the Act to revoke a defendant's 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 a defendant make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

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

(1) The Defendant will pay to the Treasurer of the Commonwealth of Virginia, contemporaneously with the date of the entry of this Order, the amount of Ten Thousand Dollars (\$10,000) in monetary penalties.

(2) The Defendant will not violate the Act in the future.

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

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Division, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

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

(2) The Defendant shall fully comply with the aforesaid terms and undertakings of this settlement.

(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 Defendant from its reporting obligations to any regulatory authority.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:
Bret Bero, President and CEO, AAMCO Transmissions, Inc., 201 Gibraltar Road, Suite 150, Horsham, Pennsylvania 19044; James A. Goniea, Esquire, Wiggin and Dana, LLP, Two Liberty Place, 50 South 16th Street, Suite 2925, Philadelphia, Pennsylvania 19102; 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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ADMISSION AND CONSENT

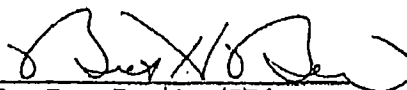
AAMCO Transmissions, Inc. ("Defendant"), admits to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof and, neither admitting nor denying the allegations made herein by the Division of Securities and Retail Franchising, hereby consents to the form, substance and entry of the foregoing Settlement Order ("Order").

The Defendant further states 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 Order.

AAMCO Transmissions, Inc.

Date: June 11, 2013

By:


Bret Bero, President/CEO

Seen and Approved By:


James A. Gonlea, Esquire