

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, AUGUST 1, 2013

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2013-00012

ALL ABOUT HONEYMOONS
FRANCHISE CORPORATION,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of All About Honeymoons Franchise Corporation ("All About Honeymoons" or "Defendant") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq.* of the Code of Virginia ("Code").

(1) All About Honeymoons is a franchisor formed under the laws of Colorado that offers franchising opportunities in the travel industry. All About Honeymoons is headquartered in Greenwood Village, Colorado.

(2) All About Honeymoons offered and sold franchises without being properly registered in Virginia. The Defendant attempted to register the franchise with the Division in 2005 and 2009. In both instances, however, the registration was withdrawn.

(3) In 2008, the Division investigated the alleged offer and sale of unregistered franchises by the Defendant. As part of the investigation, the Division requested the Defendant provide the name of every Virginia franchisee as well as the receipt pages for the disclosure documents provided to the franchisees, copies of all agreements, and the date and amount of all payments made by the franchisees.

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(4) In response to the Division's request, All About Honeymoons provided information and documentation for three Virginia franchisees.

(5) As a result of the investigation, and based upon the representations made by All About Honeymoons, the Commission entered into a Settlement Order with the Defendant on November 24, 2008, in Commission Case No. SEC-2008-00099 ("2008 Order"). The 2008 Order alleged unregistered offers and sales of a franchise, as well as the failure to provide franchisees with the required franchise agreement and disclosure documents.

(6) A condition of the 2008 Order required All About Honeymoons to make an offer of rescission to the Virginia franchisees.

(7) All About Honeymoons submitted an affidavit, dated November 11, 2008, to the Division from its president, Gregory Strobach, attesting rescission had been offered and it had fully complied with the terms and conditions of the 2008 Order.

(8) Subsequently, the Division determined All About Honeymoons failed to disclose two Virginia franchisees to the Division. Both franchisees received disclosure documents from the Defendant, signed Franchise Agreements, and had been active in the franchise system at the time of the previous investigation and 2008 Order. The Defendant failed to provide this information to the Division. Additionally, All About Honeymoons failed to offer either franchisee rescission as ordered in the 2008 Order.

Based on the current investigation, the Division alleges the Defendant violated: (i) § 13.1-560 of the Act by selling or offering to sell franchises in the Commonwealth of Virginia ("Commonwealth") prior to registering under the provisions of the Act; (ii) violated § 13.1-563 (4) (ii) of the Act by failing, directly or indirectly, to provide franchisees with such disclosure documents as may be required by rule or order of the Commission; and (iii) violated § 13.1-570

of the Act by knowingly making misrepresentations of a material fact for the purpose of inducing the Commission to take action or to refrain from taking action.

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 admits to the violation of § 13.1-560 of the Act, neither admits nor denies the remaining allegations, and 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, within three years of the date of entry of this Order, the amount of Nine Thousand Five Hundred Dollars (\$9,500) in monetary penalties.

(2) The Defendant will pay to the Treasurer of the Commonwealth, within three years of the date of entry of this Order, the amount of Two Thousand Five Hundred Dollars (\$2,500) to defray the cost of investigation.

(3) The Defendant will make restitution to the Virginia franchisees pursuant to the terms outlined in the Division's June 25, 2013 correspondence, in addition to the following:

(a) Within 30 days of the date of entry of this Order, the Defendant will give notice to the Virginia franchisees in writing, sent by certified mail, of their restitution payment.

(b) The Defendant will include with the written notice of restitution a copy of this Order.

(c) The Defendant will forward all restitution payments to the Virginia franchisees within three years of the date of entry of this Order.

(d) Within three years from the date of the entry of this Order, the Defendant will submit to the Division an affidavit, executed by its president, Greg Strobach, which contains the date on which the Virginia franchisees received the restitution payment, and proof of such restitution payment.

(4) The Defendant is permanently enjoined from offering and selling franchises in the Commonwealth.

(5) 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) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate, on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:

Greg Strobach, President, All About Honeymoons Franchise Corporation, 5690 DTC Boulevard, Suite 140E, Greenwood Village, Colorado 80111; Michael J. Katz, Esquire, Corporon & Katz, LLC, 12835 East Arapahoe Road, Tower II – Suite 700, Centennial, Colorado 80112; 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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STATE CORPORATION COMMISSION

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ALL ABOUT HONEYMOONS
FRANCHISE CORPORATION,

Defendant

ADMISSION AND CONSENT

All About Honeymoons Franchise Corporation ("Defendant"), admits to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof, admits to the violation of § 13.1-560 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq.* of the Code of Virginia, neither admits nor denies the remaining allegations made herein by the Division of Securities and Retail Franchising, and hereby consents to the form, substance and entry of the foregoing Settlement Order ("Order").

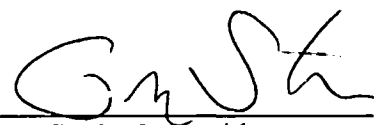
The Defendant further states that no offer, tender, threat or promise of any kind whatsoever has been made by the Commission or any member, subordinate, employee, agent or representative thereof in consideration of the foregoing Order.

All About Honeymoons
Franchise Corporation

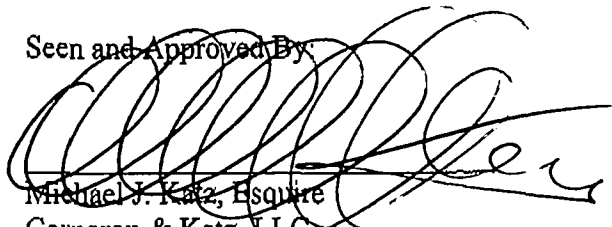
Date:

7/16/13

By:


Greg Strobach, President

Seen and Approved By:


Michael J. Katz, Esquire
Corporon & Katz, LLC

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