

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, MARCH 27, 2015

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2015-00008

C & C FRANCHISING, INC. D/B/A JANI-KING OF  
HAMPTON ROADS, JANI-KING OF RICHMOND,  
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of C & C Franchising, Inc. d/b/a Jani-King of Hampton Roads, Jani-King of Richmond ("Defendant") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq.* of the Code of Virginia ("Code").

The Defendant is a Texas-based corporation that has been registered with the Clerk of the Commission since October 12, 1993, being reinstated on November 15, 1996. Jerry L. Crawford is its president.

The Defendant placed advertisements in Virginia newspapers purportedly containing misleading financial representations as to the monthly return on investment prospective franchisees could earn if they were to enter into a franchise agreement. The reported monthly return on investment amounts failed to account for various fees that would have to be subtracted from the income earned by the prospective franchisee. Therefore, it would not be possible for a prospective franchisee to ever earn the advertised return on investment.

Based on its investigation, the Division alleges that 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 ("Treasurer"), contemporaneously with the entry of this Order, the amount of Twenty-five Thousand Dollars (\$25,000) in monetary penalties.

(2) The Defendant will pay to the Treasurer, contemporaneously with the entry of this Order, the amount of Four Thousand Dollars (\$4,000) to defray the costs of investigation.

(3) 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 filed 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:

Jerry L. Crawford, President, C & C Franchising, Inc. d/b/a Jani-King of Hampton Roads, Jani-King of Richmond, 4640 Versailles Lane, Plano, Texas 75093; David J. Kaufmann, Esquire, Kaufmann, Gildin & Robbins, LLP, 767 Third Avenue, New York, New York 10017; and a copy shall be delivered to the Commission's Office of General Counsel and Division of Securities and Retail Franchising.

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

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STATE CORPORATION COMMISSION

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C & C FRANCHISING, INC. D/B/A JANI-KING OF  
HAMPTON ROADS, JANI-KING OF RICHMOND,

Defendant

ADMISSION AND CONSENT

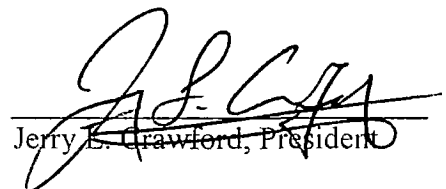
C & C Franchising, Inc. d/b/a Jani-King of Hampton Roads, Jani-King of Richmond ("Defendant"), admits to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof and, neither admitting nor denying the allegations made herein by the Division of Securities 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.

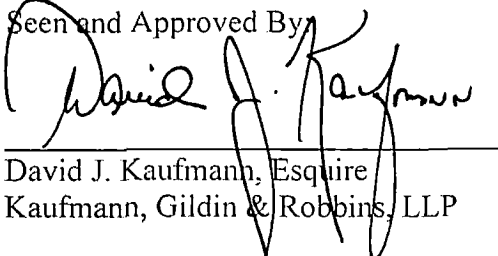
C & C Franchising, Inc. d/b/a  
Jani-King of Hampton Roads,  
Jani-King of Richmond

Date: 3-16-15

By:

  
Jerry E. Crawford, President

Seen and Approved By:

  
David J. Kaufmann, Esquire  
Kaufmann, Gildin & Robbins, LLP

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