

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, MARCH 14, 2023

REGISTRATION CENTER

2023 MAR 14 A 9:05

COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2022-00035

OVERTIME FRANCHISE LLC,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Overtime Franchise LLC ("Overtime" 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").

Overtime is a Virginia limited liability company. Overtime offers and sells franchises that provide a service focused on youth athletic activities. Overtime was previously registered with the Division. Overtime's registration expired on August 2, 2018.

Based on its investigation, the Division alleges that, from May 2019 through August 2021, the Defendant offered and sold to five franchisees ("Virginia Franchisees") five unregistered franchises to be operated in Virginia, in violation of § 13.1-560 of the Act. The Division further alleges that, from April 2019 through July 2021, the Defendant violated § 13.1-563 (4) (ii) of the Act by failing to provide the five Virginia Franchisees with the Commission's required disclosure document in connection with the offer and sale of the franchises.

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 civil penalties and to request that 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 the allegations made herein 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 Division wherein the Defendant will abide by and comply with the following terms:

1. The Defendant will make an offer of rescission ("Rescission Offer") within thirty (30) days of the entry of this Order to the Virginia Franchisees as follows:
 - a. The Defendant will send the Rescission Offer, by certified mail, to each of the five Virginia Franchisees. The Rescission Offer will include an offer to return the franchise fee, as defined by § 13.1-559 of the Act, paid by each of the Virginia Franchisees. The Rescission Offer will allow each of the Virginia Franchisees thirty (30) days from the date of receipt to provide the Defendant with written notification of the individual Virginia Franchisee's decision to accept or reject the Rescission Offer.
 - b. The Defendant will provide the Division with a copy of the Rescission Offer, for review and comment, at least ten (10) days prior to sending it to the Virginia Franchisees.
 - c. The Defendant will include a copy of this Order with the Rescission Offer to each of the Virginia Franchisees.
 - d. If any of the Virginia Franchisees accepts the Rescission Offer, the Defendant will make payment of the franchise fee to the Virginia Franchisee(s) within fifteen (15) days of receipt of the written acceptance.
 - e. Within ninety (90) days from the date of entry of this Order, the Defendant will submit to the Division an affidavit, executed by an authorized representative of the Defendant, containing the date that each Virginia Franchisee received the Rescission Offer, each of the Virginia Franchisees' responses, and, if applicable, the franchise fee amount paid and the date that payment was sent to each of the Virginia Franchisees.

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

3. The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Two Thousand Four Hundred Dollars (\$2,400) to defray the costs of investigation.

4. The Defendant will not violate the Act in the future.

The Division supports the Defendant's settlement offer and recommends that the Commission accept the settlement.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the settlement should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The settlement is accepted.
- (2) The Defendant shall fully comply with the terms of the 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 of the settlement.

Commissioner Patricia L. West participated in this matter.

A COPY shall be sent by the Clerk of the Commission by electronic mail to:

Leslie D. Curran, Esquire, at lcurran@plavekoch.com, Plave Koch PLC, 12005 Sunrise Valley Drive, Suite 200, Reston, Virginia 20191; 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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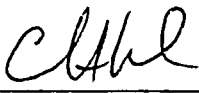
ADMISSION AND CONSENT

Overtime Franchise LLC ("Defendant") admits to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof. The Defendant, while 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.

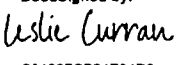
OVERTIME FRANCHISE LLC

Date: 2.28.23

By: 

Its: Chris Wheel

Seen by:

DocuSigned by:

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Leslie D. Curran, Esquire

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