

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, JULY 12, 2023

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2022-00038

KING LOMBARDI ACQUISITIONS, INC.,
d/b/a VR BUSINESS BROKERS,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of King Lombardi Acquisitions, Inc., d/b/a VR Business Brokers ("KLA" 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").

KLA is a Delaware corporation organized in 1999 with a principal office location at 2601 East Oakland Park Boulevard, Suite 300, Fort Lauderdale, Florida 33306. KLA has intermittently registered its franchise in Virginia since 2004. KLA's registration expired on March 2, 2019.

Based on its investigation, the Division alleges that, in or about August 2021, KLA offered and sold a franchise in Virginia to a purchaser ("Virginia Franchisee") without the franchise being registered with the Division in violation of § 13.1-560 of the Act. The Division further alleges that the Defendant violated § 12.1-13 of the Code by failing to comply with the terms of a 2008 Settlement Order entered by the Commission.¹

¹ *Commonwealth of Virginia, ex rel. State Corporation Commission v. King Lombardi Acquisitions, Inc., d/b/a VR Business Brokers, et al.*, Case No. SEC-2008-00070, 2008 S.C.C. Ann. Rept. 657, Settlement Order (Sept. 3, 2008).

If the provisions of the Act or Code 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 Franchisee as follows:
 - a. The Defendant will send the Rescission Offer, by certified mail, to the Virginia Franchisee. The Rescission Offer will include an offer to return the initial franchise fee, as defined by § 13.1-559 of the Act, paid by the Virginia Franchisee. The Rescission Offer must contain a provision that allows the Virginia Franchisee thirty (30) days from the date of receipt to provide the Defendant with written notification of the 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 twenty (20) days prior to sending it to the Virginia Franchisee.
 - c. The Defendant will include a copy of this Order with the Rescission Offer sent to the Virginia Franchisee.
 - d. If the Virginia Franchisee accepts the Rescission Offer, the Defendant will make payment of the initial franchise fee to the Virginia Franchisee within fifteen (15) days of receipt of the written acceptance.
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- 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 the Virginia Franchisee received the Rescission Offer, the Virginia Franchisee's response, and, if applicable, the initial franchise fee amount paid and the date that payment was sent to the Virginia Franchisee.

2. The Defendant will pay to the Treasurer of Virginia the total amount of Eight Thousand Dollars (\$8,000) in monetary penalty. The Defendant shall make four (4) monthly installments of Two Thousand Dollars (\$2,000), with the first installment to be due on May 30, 2023. The subsequent installments will be due on or before the 30th day of each month thereafter.²

3. 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:

² The Division reports that, to date, the Defendant has made one payment.

David A. Beyer, Esquire, Quarles & Brady LLP, at david.beyer@quarles.com, 101 East Kennedy Boulevard, Suite 3400, Tampa, Florida 33602-5195; 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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Defendant

ADMISSION AND CONSENT

King Lombardi Acquisitions, Inc. d/b/a VR Business Brokers ("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.

King Lombardi Acquisitions, Inc.
d/b/a VR Business Brokers

Date: 5/30/23

By: _____

Its: CEO_____

Seen by:

David A. Beyer, Esquire