

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION  
AT RICHMOND, SEPTEMBER 30, 2024

SEC - CLERK'S OFFICE  
DOCUMENT CONTROL GROUP

2024 SEP 30 P 1058

COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2024-00029

FEDERAL INJURY CENTERS, LLC,  
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Federal Injury Centers, LLC ("Federal Injury" 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").

Federal Injury is a Florida limited liability company. Federal Injury offers and sells franchises that provide medical care for injured federal workers. Federal Injury has never registered with the Division and is currently not registered with the Division.

Based on its investigation, the Division alleges that Federal Injury, between August 2021 and December 2021, and again between September 2022 and October 2022: (i) offered to sell and sold to two Virginia residents ("Virginia Franchisees") franchises, with one franchise to be operated in Woodbridge, Virginia, and the other to be operated in Chesapeake, Virginia, without the franchises being registered under the provisions of the Act or exempt from registration, in violation of § 13.1-560 of the Act; and (ii) failed to provide the Virginia Franchisees with a cleared Franchise Disclosure Document in conjunction with the offer and sale of the franchises, in violation of § 13.1-563 (4) (ii) of the Act.

If any 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 a civil penalty 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.

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 a written offer of rescission ("Rescission Offer") to each of the Virginia Franchisees within thirty (30) days of the entry of this Settlement Order, as follows:

- a. The Defendant will send the Rescission Offer, by certified mail, to each of the Virginia Franchisees. The Rescission Offer will include an offer to return the initial franchise fee, as defined by § 13.1-559 of the Act, paid by each of the Virginia Franchisees. The Rescission Offer must contain a provision that allows each of the Virginia Franchisees 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 proposed Rescission Offer, for review and comment, at least ten (10) days prior to sending it to the Virginia Franchisees.
- c. The Defendant will include with the Rescission Offer sent to each of the Virginia Franchisees a copy of this Settlement Order.
- d. If either of the Virginia Franchisees accepts the Rescission Offer, the Defendant will make payment of the initial franchise fee to the Virginia Franchisee(s) within ten (10) days of receipt of the written acceptance.

- e. Within seventy-five (75) days from the date of entry of this Settlement 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 initial franchise fee amount paid and the date that payment was sent to each of the Virginia Franchisees.

2. For any Rescission Offer that is rejected, the Defendant will pay to the Treasurer of Virginia, within seventy-five (75) days from the date of entry of this Settlement Order, the amount of Five Thousand Dollars (\$5,000) in monetary penalty.

3. The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Settlement Order, the amount of One Thousand Dollars (\$1,000) 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 has recommended 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 stated herein.
- (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.

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

Brian Loffredo, Esquire, The Internicola Law Firm, PC, bl@businessandfranchiselaw.com, 115

Maple Avenue, Red Bank, New Jersey 07701; and a copy shall be delivered to the Commission's Office of General Counsel and Division of Securities and Retail Franchising.

24096050

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

240909050

COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2024-00029

FEDERAL INJURY CENTERS, LLC,  
Defendant

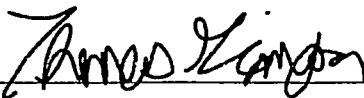
ADMISSION AND CONSENT

Federal Injury Centers, 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.

Federal Injury Centers, LLC

Date: 8/30/24

By: 

Its: Vice-president

Seen by:

 *without authorization*  
Brian Loffredo, Esquire *AL*