

STATE CORPORATION COMMISSION

AT RICHMOND, SEPTEMBER 12, 2005

COMMONWEALTH OF VIRGINIA, ex rel. 7:00 SEP 12 P 1:12

STATE CORPORATION COMMISSION

v.

BELLACINO'S, INC.,

Defendant

CASE NO. SEC-2005-00040

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that Bellacino's, Inc. ("Defendant") violated § 13.1-560 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 et seq. of the Code of Virginia ("Code"), by granting or offering to grant a franchise in the Commonwealth prior to registering under the provisions of the Act, in that the Defendant is alleged to have granted four (4) franchises in the Commonwealth without being registered, and violated § 13.1-563(e)(ii) of the Act by failing to, directly or indirectly, provide disclosure documents to a franchisee as may be required by rule or order of the State Corporation Commission ("Commission"), in that the Defendant is alleged to have failed to provide audited financial statements to prospective franchisees prior to 2002.

The Commission is authorized by § 13.1-562 of the Act to revoke the Defendant's registration, by § 13.1-568 of the Act to issue temporary or permanent injunctions, and by § 13.1-570 of the Act to impose certain monetary penalties upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violations.

The Defendant admits to the aforementioned violations and admits to the Commission's jurisdiction and authority to enter into this Settlement Order.

As a proposal to settle all matters arising from these allegations, the Defendant has agreed to not commit any violations of the Act in the future, agreed to pay to the Commonwealth

of Virginia a penalty in the amount of seven thousand five hundred dollars (\$7,500), and agreed to pay to the Commission the amount of five hundred dollars (\$500) to defray the cost of investigation.

The Division has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia.

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.

IT IS THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) The Defendant fully comply with the aforesaid terms and undertakings of this settlement;

(3) The Defendant pay to the Commonwealth of Virginia a penalty in the amount of seven thousand five hundred dollars (\$7,500);

(4) The Defendant pay to the Commission the amount of five hundred dollars (\$500) to defray the cost of investigation; and

(5) This case is dismissed and the papers herein shall be placed in the file for ended causes.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to Bellacino's, Inc., c/o Shery Christopher, 2114 West Grant Road, PMB 66, Tucson, Arizona 85745.

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CASE NO. SEC-2005-00040

Defendant

ADMISSION AND CONSENT

The Defendant, Bellacino's Inc., admits to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof and, admitting 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.

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 Settlement Order.

Date:

9/1/05

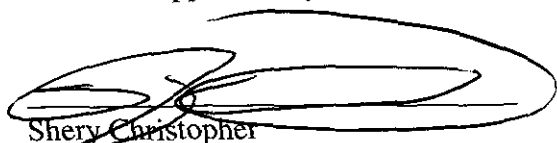
Bellacino's, Inc.

By:

Joseph Mancino

Joseph Mancino
Chairman of the Board

Seen and Approved By:



Shery Christopher
2114 West Grant Road, PMB 66
Tucson, Arizona 85745