

STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 8, 2006

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2006-00076

DAILY GRIND OF WINCHESTER, INC.,

Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that Daily Grind of Winchester, Inc. ("Defendant") violated § 13.1-560 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 et seq. of the Code of Virginia by granting or offering to grant franchises in the Commonwealth of Virginia prior to registration.

The State Corporation Commission ("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, by § 13.1-570 of the Act to impose certain monetary penalties, and by § 12.1-15 of the Code of Virginia 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.

The Division acknowledges that the Defendant cooperated during the investigation and took steps to ensure that there will not be a recurrence of similar violations in the future. The Defendant's retention of new counsel to establish proper compliance procedures has been considered by the Division in reaching this settlement.

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, contemporaneously with the entry of this Order, the amount of six thousand dollars (\$6,000) in monetary penalties.

(2) The Defendant will pay to the Commission, contemporaneously with the entry of this Order, the amount of one thousand dollars (\$1,000) to defray the cost 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.

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 THEREFORE ORDERED THAT:

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

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

(3) The Defendant pay to the Treasurer of the Commonwealth, contemporaneously with the entry of the Order, the amount of six thousand dollars (\$6,000) in monetary penalties;

(4) The Defendant pay to the Commission, contemporaneously with the entry of the Order, the amount of one thousand dollars (\$1,000) 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.

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:
Lee J. Plave, Esquire, DLA Piper Rudnick Gray Cary US LLP, 1775 Wiehle Avenue, Reston, Virginia 20190; and the Commission's Office of General Counsel and Division of Securities and Retail Franchising.

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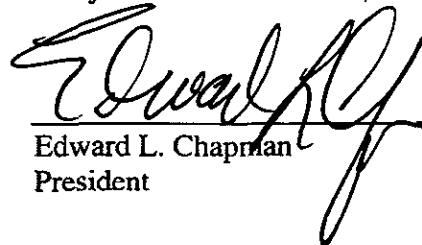
ADMISSION AND CONSENT

The Defendant, Daily Grind of Winchester, Inc., admits to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof, neither admits nor denies the allegations made herein by the Division of Securities and Retail Franchising, and 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.

Daily Grind of Winchester, Inc.

By:


Edward L. Chapman
President

Date: 11-30-06

Seen and Approved By:



Lee J. Plave, Esquire
DLA Piper Rudnick Gray Cary US LLP