

AT RICHMOND, MAY 16, 2008

COMMONWEALTH OF VIRGINIA, ex rel.

2008 MAY 16 A 10: 27

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2008-00046

SAXBY'S COFFEE, INC.,

Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that Saxby's Coffee, Inc. ("Defendant"): (1) 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 franchises in the Commonwealth of Virginia prior to registering under the provisions of the Act; and (2) violated § 13.1-563 (e) (ii) of the Act by failing to, directly or indirectly, provide disclosure documents to franchisees as may be required by rule or order of the State Corporation Commission ("Commission").

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, 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 admits to these allegations and also 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 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 ten thousand dollars (\$10,000) in monetary penalties.

(2) The Defendant will pay to the Commission, contemporaneously with the entry of this Order, the amount of four thousand dollars (\$4,000) 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; and

(3) 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:  
Saxby's Coffee, Inc., 84 Peachtree Street, NW, Suite 801, Atlanta, Georgia 30303; Janaki Parmar, Esquire, Fisher & Zucker, LLC, 121 South 21<sup>st</sup> Street, Philadelphia, Pennsylvania

19103; and the Commission's Office of General Counsel and Division of Securities and Retail Franchising.

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND,

COMMONWEALTH OF VIRGINIA, *et al.*

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Defendant

ADMISSION AND CONSENT

The Defendant, Saxby's Coffee, 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.

Saxby's Coffee, Inc.

Date: 5/1/98

By: Nicholas Bayer

Nicholas Bayer