

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, SEPTEMBER 29, 2009

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2009-00028

TEXAS BAR-B-Q FACTORY, INC.

and

MICHAEL YATCO,

Defendants

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that Texas Bar-B-Q Factory, Inc. and Michael Yatco ("Defendants"): (i) violated § 13.1-560 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq.* of the Code of Virginia, by selling or offering to sell franchises in the Commonwealth of Virginia prior to registering under the provisions of the Act; and (ii) violated § 13.1-563 (e) (ii) by failing to, directly or indirectly, provide franchisees with such disclosure documents 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 Defendants' 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 Defendants neither admit nor deny these allegations but admit to the Commission's jurisdiction and authority to enter this Settlement Order.

CLERK'S OFFICE

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REGULATORY CONTROL

As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Commission wherein the Defendants will abide by and comply with the following terms and undertakings:

(1) The Defendants will pay to the Treasurer of the Commonwealth of Virginia the amount of Five Thousand Dollars (\$5,000) in monetary penalties. The penalty will be paid in two (2) increments of Two Thousand Five Hundred Dollars (\$2,500). The first payment shall be due on or before October 31, 2009, and the second payment shall be due on or before December 31, 2009.

(2) The Defendants will pay to the Commission, contemporaneously with the entry of this Order, the amount of Three Thousand Three Hundred Dollars (\$3,300) to defray the cost of investigation.

(3) The Defendants will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendants.

The Commission, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Division, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

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

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

(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 Defendants' failure to comply with the terms and undertakings of the settlement.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:
R. Scott Caulkins, Esquire, CBR&C, 2200 Wilson Boulevard, Suite 800, Arlington, Virginia 22201; 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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ADMISSION AND CONSENT

The Defendants, Texas Bar-B-Q Factory, Inc. and Michael Yatco, admit to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof and, neither admitting nor denying the allegations made herein by the Division of Securities and Retail Franchising, hereby consent to the form, substance and entry of the foregoing Settlement Order.

The Defendants further state 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.

Texas Bar-B-Q Factory, Inc.

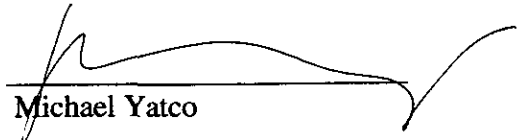
Date: 9/12/09

By:


Michael Yatco, President

PRES.

Date: 9/12/09


Michael Yatco

Seen and Approved By:


R. Scott Caulkins, Esquire