

STATE CORPORATION COMMISSION

AT RICHMOND, JANUARY 9, 2009

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COMMONWEALTH OF VIRGINIA, ex rel.

DOCUMENT CONTROL

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2008-00105

FROOTS FRANCHISING COMPANIES, INC.,

Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged that Froots Franchising Companies, Inc. ("Defendant"): (1) 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 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 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 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.

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 Four Thousand Five Hundred Dollars (\$4,500) in monetary penalties.

(2) The Defendant will pay to the Commission, contemporaneously with the entry of this Order, the amount of One Thousand Five Hundred Dollars (\$1,500) 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:
David Lopez, President/CEO, Froots Franchising Companies, Inc., 9900 Stirling Road,

Suite 243, Cooper City, Florida 33024; Lorinda Church, Esquire, Scott C. Kern, Attorney at Law, LLC, 205 Church Street, 3rd Floor, New Haven, Connecticut 06510; and the Commission's Office of General Counsel and Division of Securities and Retail Franchising.

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Defendant

ADMISSION AND CONSENT

The Defendant, Froots Franchising Companies, Inc., admits 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 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.

Froots Franchising Companies, Inc.


Date: 12/30/08

By:



David Lopez
President/CEO

Seen and Approved By:


Lorinda Church, Esquire
Scott C. Kern, Attorney at Law, LLC