

2. Upon information and belief, Neil P. McNulty (“Respondent McNulty”) is the Owner/President of MMG.
3. On October 22, 2010, the Rhode Island Department of Business Regulation, Securities Division, (the “Division”) received a complaint from a Rhode Island Resident (the “Complainant”) alleging MMG was selling franchise opportunities, specifically, the *30/30 PLACEMENT PROGRAM*® (the “Program”), in this State without benefit of registration.
4. Subsequent investigation by the Division into this allegation disclosed that on May 16, 2008, MMG sold the Program to the Complainant. The Division contends that, based upon the following, the Program constituted a franchise and was sold without benefit of registration, or exemption therefrom, in violation of §19-28.1-5 of the Act.
5. In the Agreement executed by both MMG and the Complainant, MMG authorized the Complainant to use the Program, its materials, methods and techniques for himself/herself and for his/her business. The agreement states that MMG’s materials and techniques are solely for the undersigned’s use within the employment, placement (permanent or temporary), outplacement, staffing (corporate or third party), recruiting, career counseling, career coaching, career transition assistance, resume writing and/or other such human resources related activities.
6. The Agreement stipulates that the undersigned, i.e., (the Complainant), agrees not to provide free services using MMG’s materials and methods, not to agree to fees that are less than twenty percent (20%) of the hiring base salary of a placed individual and not to offer or agree to payment plans exceeding ninety (90) days in duration.

7. The Agreement sets forth and identifies the MMG materials, methods and techniques as proprietary trade secrets that are confidential, and binds the undersigned, (the Complainant), to maintain them in confidence, and not to divulge them to any person or entity without written permission of MMG.
8. In the Termination and Proprietary Covenants paragraph of the Agreement it states:
“The undersigned agrees that the geographically targeted placement of military personnel is a proprietary methodology that was created by MMG and it is unique, of great value, is performed nationally and deserves broad protection. Therefore, the undersigned agrees that for a period of fifteen (15) years from the date of termination of this agreement...the undersigned shall neither engage in nor train or teach others how to engage in geographically targeted placement of transitioning military personnel.”
9. The Agreement states that a monthly fee of twelve-hundred dollars (\$1,200.00) shall be due and payable to MMG on the twentieth day of each month .
10. In the Act, §19-28.1-3 – Definitions, Paragraph (7) reads as follows:

"Franchise" means:

- (i) An oral or written agreement, either express or implied, which:
 - (A) Grants the right to distribute goods or provide services under a marketing plan prescribed or suggested in substantial part by the franchisor;
 - (B) Requires payment of a franchise fee in excess of five hundred dollars (\$500) to a franchisor or its affiliate; and
 - (C) Allows the franchise business to be substantially associated with a trademark, service mark, trade name, logotype, advertising, or other commercial symbol of or designating the franchisor or its affiliate; or
- (ii) A master franchise.

III.

Based upon the foregoing, the Acting Director determines that the activity of the Respondents constitutes a violation of the Act and the following action is appropriate for the protection of franchisees, and consistent with the purposes fairly intended by the Act.

Accordingly, IT IS HEREBY ORDERED THAT:

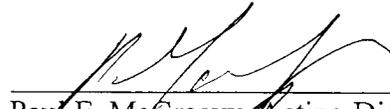
- (1) Respondents and any person associated therewith shall immediately cease and desist from any further violation of the Act.
- (2) Respondents and any person associated therewith shall retain and maintain all written and computer records regarding its business activities and the subject offers and sales until further order of the Acting Director.

Therefore, unless the Acting Director receives a written request for a hearing and answer to this Order within thirty-days of the date of this Order, the Acting Director will regard Respondents as having been provided notice and an opportunity for hearing, and as having waived the right to a hearing, and the Order will become final. If the Acting Director receives a request for a hearing within thirty days of the date of this Order, the Acting Director shall set the matter for hearing within thirty days from the receipt of the request for hearing and shall promptly notify the parties of the time and place for hearing. If no hearing is requested, or if the person defaults after requesting a hearing, the Order becomes a Final Order and remains in effect unless vacated or modified by the Acting Director.

Pursuant to §19-28.1-18 if the Acting Director reasonably believes that a violation of the Act has occurred, he may impose an administrative assessment not to exceed five thousand (\$5,000.00) for each act or omission that constitutes a basis for issuing the Order, in addition to any specific powers granted under R.I. Gen. Laws §19-28.1-1 *et seq.*

Dated this 20 day of January, 2011.

Order No. 11-002



Paul E. McGreevy, Acting Director
Rhode Island Department of Business Regulation

THE ACTING DIRECTOR RESERVES THE RIGHT TO PUBLISH A NOTICE OF THIS ORDER IN A NEWSPAPER OF GENERAL CIRCULATION IN THE STATE OF RHODE ISLAND.

CERTIFICATION

I hereby certify on this 20th day of January, 2011 that a copy of the within Order was mailed by certified mail and first class mail to Neil Patrick McNulty, President, McNulty Management Group, 4769 Hermitage Road, Suite #101, Virginia Beach, VA 23455