

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF SECURITIES
233 RICHMOND STREET, SUITE 232
PROVIDENCE, RI 02903-4232

IN THE MATTER OF :
: CONSENT ORDER MAKING
JERSEY MIKE'S FRANCHISE SYSTEMS, INC. : FINDINGS AND IMPOSING
: REMEDIAL ACTIONS
:
Respondent. :
:

I.

The Director ("Director") of the Rhode Island Department of Business Regulation ("Department") enters this Consent Order Making Findings and Imposing Remedial Actions ("Order") under Section 18 of the Rhode Island Franchise Investment Act (the "Act"), Section 19-28.1, et seq. of the Rhode Island General Laws, with regard to the above-referenced Respondents. The Director has determined to resolve this matter, without instituting administrative proceedings, or bringing an action, by accepting Respondents' executed Offer of Settlement, attached hereto as Exhibit A, and entering this Order making the findings and imposing the remedial actions set forth below.

II.

On the basis of this Order and the Offer, the Director finds that:

1. Respondent Jersey Mike's Franchise Systems, Inc. ("Jersey") is a New Jersey Corporation incorporated on March 11, 1986

with its principal place of business at 2281 Landmark Place
~~2~~ ~~1978 Highway 34,~~ ^{MANASQUAN,} Manasquan, New Jersey 08736.

2. It has been unlawful for any person to offer to sell or to sell any franchise in this state unless the offer of the franchise is registered with the Department or exempt therefrom under the Act.
3. Before Jersey applied to the Department for registration as a franchise, it entered into one franchise agreement, and made offers to eight other residents of Rhode Island.
4. At the time of the offers and agreement, Jersey was neither registered nor exempt from registration, in violation of the Act.
5. The one franchise agreement entered into was terminated by mutual agreement. A copy of said agreement is attached hereto as Exhibit B.

III.

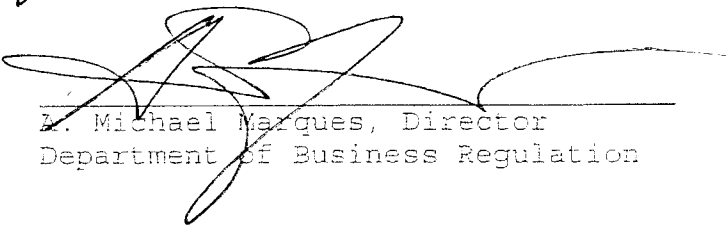
Based on the foregoing, the Director determines that the entry of this Order is in the public interest, appropriate for the protection of franchisees and consistent with the purposes fairly intended by the policy and provisions of the Act.

Accordingly, IT IS HEREBY ORDERED that:

- A. Respondent shall immediately cease and desist from violating the provisions of the Act.
- B. Respondent shall pay to the Department an administrative assessment in the amount of Two Thousand Dollars (\$2,000) for an unregistered sale, and Ten Thousand Dollars (\$10,000) for eight offers and back fees in the amount of One Thousand Dollars (\$1000.) due upon the Respondent's consent to the entry of this Consent Order.
- C. Jersey subsequently applied for registration with the Department on April 3, 2006. The application has not been approved pending the resolution of this matter of unregistered activity. The application will be approved upon execution of this Order.

Dated this 6th day of September, 2006

ORDER NO. 06-238


Michael Marques, Director
Department of Business Regulation

THIS CONSENT ORDER CONSTITUTES A FINAL ORDER OF THE DEPARTMENT OF BUSINESS REGULATION PURSUANT TO RHODE ISLAND GENERAL LAWS §42-35-1 ET SEQ. AS SUCH, THIS ORDER MAY BE APPEALED TO THE SUPERIOR COURT SITTING IN AND FOR THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE DATE OF THIS DECISION. SUCH APPEAL, IF TAKEN, MAY BE COMPLETED BY FILING A PETITION FOR REVIEW IN SAID COURT. HOWEVER, RESPONDENTS UNDERSTAND THAT BY WAIVING THEIR RIGHT TO A COMPLETE HEARING AND AGREEING TO THIS CONSENT ORDER, THE ABOVE RIGHTS ARE WAIVED AND IF ANY TERMS OF THIS CONSENT ORDER ARE VIOLATED, RESPONDENTS' ARE SUBJECT TO ANY APPLICABLE ENFORCEMENT REMEDIES UNDER THE ACT.

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STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF SECURITIES
233 RICHMOND STREET, SUITE 232
PROVIDENCE, RI 02903-4232

IN THE MATTER OF :
: OFFER
JERSEY MIKE'S FRANCHISE SYSTEM INC. : OF
: SETTLEMENT
Respondent. :
:

The above-named Respondent submits this Offer of Settlement ("Offer") consenting to entry of a Consent Order Making Certain Findings and Imposing Remedial Actions("Order"), to the Director of the Rhode Island Department of Business Regulation ("Director") with respect to the matters set forth in the Order.

Respondent submits this Offer for the purposes of settlement only with the express understanding that this does not constitute an admission of guilt or wrongdoing.

Respondent hereby waives all rights to a hearing, administrative proceedings and/or judicial review with respect to entry of the Order.

Respondent understands that a failure to comply with the terms of the Order is a violation of law and will cause the Director to take appropriate regulatory action.

Respondent represents that the undersigned is duly authorized to enter into this Offer of Settlement on behalf of Respondent.

Respectfully submitted this 25th day of August, 2006.

By: Peter Cancro, President

Its: PRESIDENT

County of Monmouth

State of New Jersey

On this 25th day of August, 2006 appeared before me Peter Cancro, who executed the foregoing Offer of Settlement and who duly acknowledged to me that he was authorized to do so.

Jennifer Schaefer
NOTARY PUBLIC
My Commission Expires on 4-21-2011

giles.cff
sk

JENNIFER SCHAEFER
Notary Public of New Jersey
My Commission Expires 4/21/2011