

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, AUGUST 6, 2024

ECG - CLERK'S OFFICE
DOCUMENT CONTROL CENTER

240820105

COMMONWEALTH OF VIRGINIA, *ex rel.*

2024 AUG -6 P 4: 22

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2024-00014

BARKSUDS, INC.,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of BarkSuds, Inc. ("BarkSuds" or "Defendant") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq.* of the Code of Virginia ("Code").

BarkSuds is a Florida corporation. BarkSuds offers and sells franchises that are full-service dog salons which offer monthly memberships that include unlimited pet grooming. BarkSuds became registered with the Division on January 11, 2023. BarkSuds did not renew its registration in 2024 and is currently not registered with the Division.

Based on its investigation, the Division alleges that BarkSuds, in or around October of 2022, offered to sell and sold to a Virginia resident ("Virginia Franchisee") a franchise to be operated in Virginia, without the franchise being registered under the provisions of the Act or exempt from registration, in violation of § 13.1-560 of the Act. The Division further alleges that BarkSuds, in or around October of 2022, failed to provide the Virginia Franchisee with a cleared Franchise Disclosure Document ("FDD") in conjunction with the offer and sale of the franchise, in violation of § 13.1-563 (4) (ii) of the Act, and failed to comply with all of the requirements

regarding the contents of an FDD, in violation of 21 VAC 5-110-95 of the Virginia Administrative Code, 21 VAC 5-110-10 *et seq.* ("Rules").

If any provisions of the Act or Rules are violated, the Commission is authorized by § 13.1-562 of the Act to revoke a 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 a certain monetary penalty, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations made herein but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

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

1. The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Fifteen Thousand Dollars (\$15,000) in monetary penalty.
2. The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of One Thousand Dollars (\$1,000) to defray the costs of investigation.
3. The Defendant will not violate the Act in the future.

The Division supports the Defendant's settlement offer and has recommended that the Commission accept the settlement.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the settlement should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The settlement is accepted.
- (2) The Defendant shall fully comply with the terms of the settlement stated herein.
- (3) This case is dismissed.

A COPY hereof shall be sent by the Clerk of the Commission by electronic mail to Benjamin B. Reed, Esquire, counsel for Defendant, Plave Koch PLC, at breed@plavekoch.com, 3120 Fairview Park Drive, Suite 420, Falls Church, Virginia 22042; by US Mail to Richard Landman, 3307 W. Bay to Bay Blvd., Tampa Bay, Florida 33629; and a copy shall be delivered to the Commission's Office of General Counsel and Division of Securities and Retail Franchising.

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2024-00014

BARKSUDS, INC.,
Defendant

ADMISSION AND CONSENT

BarkSuds, Inc. ("Defendant") admits to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof. The Defendant, while 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 ("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 Order.

BarkSuds, Inc.

Date: July 25, 2024

By: Richard J. Anderson

Its: CEO

Seen by:

Benjamin B. Reed
Benjamin B. Reed, Esquire