

BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND

IN THE MATTER OF:

SuperGlass Windshield Repair, Inc.,

Respondent.

Case No. 2019-0037

* * * * *

CONSENT ORDER

WHEREAS, the Securities Division of the Office of the Attorney General of Maryland (the “Securities Division”) initiated an investigation into the franchise-related activities of SuperGlass Windshield Repair, Inc. (“SuperGlass”) under the authority granted under the Maryland Franchise Registration and Disclosure Law, MD. CODE ANN. BUS. REG. §14-201 et seq. (2015 Repl. Vol. and Supp. 2018) (the “Maryland Franchise Law”); and

WHEREAS, based on information presented by the Securities Division, the Maryland Securities Commissioner (the “Securities Commissioner”) has concluded that grounds exist to allege that SuperGlass violated the registration and disclosure provisions of the Maryland Franchise Law in relation to the offer and sale of SuperGlass franchises in Maryland; and

WHEREAS, before the holding of a hearing in this matter, without trial or final adjudication of any issue of fact or law, and without SuperGlass admitting or denying any violation of law, the Securities Commissioner and SuperGlass have reached an agreement to enter into this Consent Order; and

WHEREAS, SuperGlass waives its rights to a hearing and any rights to seek judicial review or otherwise challenge or contest the terms and conditions of this Consent Order; and

WHEREAS, the Securities Commissioner has determined that it is in the public interest to issue this Consent Order;

NOW, THEREFORE, it is hereby agreed, and the Securities Commissioner hereby orders:

I. JURISDICTION

1. The Securities Commissioner has jurisdiction in this proceeding pursuant to Section 14-210 (a) of the Maryland Franchise Law.

II. FINDINGS OF FACT

2. SuperGlass is a Georgia corporation organized in 1992 with a principal business address of 6220 Hazeltine National Dr., Suite 118, Orlando, Florida 32822.

3. Superglass sells franchises that operate mobile and fixed businesses that repair damaged windshields caused by gravel, rocks, and other flying objects.

4. As of December 31, 2017, SuperGlass had more than 300 franchise outlets operating in the U.S., including 5 outlets located in Maryland, and in several foreign countries.

5. SuperGlass has never registered with the Securities Division to offer franchises under the Maryland Franchise Law.

6. On February 26, 2019, the Securities Division notified SuperGlass that it had received information that SuperGlass may have offered and sold franchises in Maryland in violation of the registration and disclosure provisions of the Maryland Franchise Law.

7. In response to the Securities Division's letter, SuperGlass acknowledged that it had offered and sold several franchises in Maryland without being registered under the Maryland Franchise Law.

8. Specifically, Superglass represented that between 2010 and 2017, it offered and

sold Superglass Windshield Repair franchises to 5 Maryland residents (collectively “Maryland Franchisees”) who operate, or operated, Superglass Windshield Repair franchises in various Maryland locations.

9. One of the Maryland Franchisees closed her SuperGlass Windshield Repair business before the date of this Consent Order, while the other 4 Maryland Franchisees continue to operate their franchise businesses on a full time or a part time basis.

10. SuperGlass represents that it provided copies of Franchise Disclosure Documents (“FDDs”) to the Maryland Franchisees before they purchased their Superglass franchises, but the FDDs the Maryland Franchisees received were not filed with or registered by the Securities Division as required under the Maryland Franchise Law.

11. SuperGlass represents that, after January 1, 2010, other than the sale of 5 franchises to the Maryland Franchisees identified to the Securities Division, SuperGlass has not entered into any franchise agreements with any Maryland residents or with any other residents granting them the right to operate a SuperGlass franchise to be located in whole or in part in Maryland.

12. SuperGlass represents that it has engaged an attorney experienced with franchise law to provide training to SuperGlass officers and sales personnel to ensure that, in the future, SuperGlass will comply with all registration and disclosure requirements under the Maryland Franchise Law.

13. SuperGlass further represents and agrees that, in the future, it will comply with all registration and disclosure provisions under the Maryland Franchise Law.

III. CONCLUSIONS OF LAW

14. By engaging in the above activities, the Commissioner has concluded that

SuperGlass violated the registration and disclosure provisions, §§14-214, 14-216, and 14-223 of the Maryland Franchise Law.

IV. ORDER AND CONSENT

15. THE COMMISSIONER HEREBY ORDERS AND SUPERGLASS HEREBY CONSENTS AND REPRESENTS AS FOLLOWS:

- A. SuperGlass shall immediately and permanently cease and desist from the offer and sale of franchises in violation of the Maryland Franchise Law;
- B. Within ten (10) days of its receipt of a fully executed Consent Order of the Securities Commissioner, Superglass shall send by Federal Express to the Maryland Franchisee who has closed her franchise business a copy of the executed Consent Order and a check in the amount of the franchise fee she paid to SuperGlass, minus any refund of that franchise fee SuperGlass previous made to her;
- C. Within ten (10) days of its receipt of a fully executed Consent Order of the Securities Commissioner, SuperGlass shall send to each of the Maryland Franchisees who still operates a SuperGlass franchise the following: (i) a copy of the executed Consent Order; and (ii) a letter, in substantially the form attached to this Consent Order as Exhibit 1, informing the Maryland Franchisee that he or she is being offered an opportunity to rescind his or her SuperGlass franchise immediately under the terms of this Consent Order;
- D. SuperGlass shall promptly file and diligently pursue an application to register the SuperGlass franchise offering under the Maryland Franchise Law. For purposes of this Agreement, “diligently pursue” means that an applicant submits a substantive response to each Securities Division comment letter regarding a registration application no later than 30 days after the applicant’s receipt of that comment letter;
- E. Upon notification by the Securities Division that SuperGlass’s franchise offering has been registered for use in Maryland, SuperGlass shall send to any Maryland Franchisee who had not previously rescinded his or her SuperGlass franchise in response to the Notice of Rescission Rights the following: (i) a copy of SuperGlass’s applicable, effectively registered Maryland FDD; and (ii) a letter, in substantially the form attached to this letter as Exhibit 2, notifying that Maryland Franchisee that he or she is being given a second opportunity to rescind his or her SuperGlass franchise under the terms stated in that letter;
- F. The Securities Commissioner has determined that SuperGlass’s offer of a franchise for the limited purposes described in this Consent Order is exempt from the registration provisions of the Maryland Franchise Law;

- G. As of the date of this Consent Order, SuperGlass shall reimburse the Office of the Attorney General the sum of Two Thousand (\$2,000.00) for unpaid franchise filing fees that would have been payable to the Securities Division for SuperGlass's franchise registration applications for the period 2010 to 2017;
- H. SuperGlass acknowledges that this Consent Order is a disclosable order as described under the Maryland Franchise Law, and Item 3 of the NASAA Franchise Registration and Disclosure Guidelines and Amended FTC Franchise Rule.

V. JURISDICTION RETAINED

16. Jurisdiction shall be retained by the Commissioner for such further orders and directions as may be necessary or appropriate for the construction or enforcement of the Consent Order.

VI. CONSEQUENCES OF VIOLATING THIS CONSENT ORDER

17. If SuperGlass fails to comply with any term of this Consent Order, the Securities Division may bring administrative or judicial proceedings against it to enforce this Consent Order or to sanction it for violating an order of the Securities Commissioner, and may take any other action authorized under the Maryland Franchise Law or any other applicable law. In any such proceeding in which, after an opportunity for a hearing, the Securities Commissioner or a court finds that SuperGlass has violated this Consent Order, the Statement of Facts and the violations of the Maryland Franchise Law alleged in the Consent Order shall be deemed admitted and may be introduced into evidence against it.

VII. MODIFICATION OF CONSENT ORDER

18. The terms of this Consent Order may be modified only by a subsequent order issued by the Securities Commissioner.

SO ORDERED:

**Commissioner's Signature on File
w/Original Documents**

MELANIE SENTER LUBIN
SECURITIES COMMISSIONER

DATE OF THIS ORDER:

April 23, 2019

BY CONSENT:

SuperGlass Windshield Repair, Inc.

By: David A. Casey, President

FORM
(On Company Letterhead)

Certified Mail
Return Receipt Requested

Re: Notice of Rescission Rights

Dear _____:

In accordance with discussions our attorneys have had with the Division of Securities of the Maryland Attorney General's Office (the "Securities Division"), [Insert Name of Company] ("we") have agreed to offer rescission to any Maryland residents to whom we sold franchises in violation of the Maryland Franchise Law. This offer of rescission is made in settlement of the administrative proceeding that the Securities Division may bring for the sale of a franchise in violation of the Maryland Franchise Law and does not affect any civil liability for which we may be responsible.

If you elect to rescind your franchise, we agree to return to you the franchise fee you paid us under your Franchise Agreement and terminate your franchise agreement. You will give up any rights to use our trademarks, and you may not use or disclose any of our trade secrets and any of our confidential and proprietary information. If you rescind, we will make payments to you within thirty (30) days after we receive your Acceptance of Offer to Rescind.

This offer will remain open for thirty (30) days from the date you receive this letter. Please check the appropriate place below and return a signed copy of this letter to me within the time period.

If you do not rescind your franchise agreements now, you will be given a second opportunity to rescind your franchise, after we have completed the franchise registration process. When that registration is complete, we will send you a copy of a registered Franchise Disclosure Document and a new letter offering to rescind your franchise agreement under the same terms outlined in this letter.

If you have any questions, please contact Dale E. Cantone, Assistant Attorney General, at the Division (410-576-6368).

Sincerely,

[The Company]

Exhibit 1

ACCEPTANCE OR REFUSAL OF OFFER TO RESCIND FRANCHISE

1. I, the undersigned, acknowledge that I have read the preceding Notice of Rescission Rights and understand its contents.
2. I understand that I have not waived my rights under the Maryland Franchise and Disclosure Law by signing this document or my right to accept a subsequent rescission offer at a later time.

CHECK ONE

_____ I hereby **accept** your offer of rescission and agree to not use your trademarks and to not use or disclose to anyone the trade secrets and confidential and proprietary information that we obtained from you.

_____ **I do not wish to accept your offer of rescission at this time.** I understand that I will be given a second opportunity to rescind my franchise agreement once the franchisor has effectively registered its franchise offering with the Securities Division under the Maryland Franchise Law.

Date: _____

Franchisee

FORM
(On Company Letterhead)

Certified Mail
Return Receipt Requested

Re: **[Company] Offer to Rescind Franchise Agreement**

Dear _____:

As you recall, [Insert Name of Company] ("we") have agreed to offer rescission to any Maryland residents who entered into franchise agreements with us in violation of the Maryland Franchise Law. You previously received a "Notice of Rescission Rights" from us offering to rescind your franchise agreement immediately. Now that we have completed the registration of our franchise offering, we are giving you this second opportunity to rescind your franchise. This offer of rescission is made in settlement of the administrative proceeding that the Securities Division may bring for the sale of a franchise in violation of the Maryland Franchise Law and does not affect any civil liability for which we may be responsible.

If you elect to rescind your franchise, we agree to return to you the franchise fee you paid us under your Franchise Agreement and terminate your franchise agreement. You will give up any rights to use our trademarks, and you may not use or disclose any of our trade secrets and any of our confidential and proprietary information. If you rescind, we will make payments to you within thirty (30) days after we receive your Acceptance of Offer to Rescind.

This offer will remain open for thirty (30) days from the date you receive this letter. Please check the appropriate place below and return a signed copy of this letter to me within the time period.

If you have any questions, please contact Dale E. Cantone, Assistant Attorney General, at the Division (410-576-6368).

Sincerely,

[The Company]

cc: Franchise Disclosure Document

ACCEPTANCE OR REFUSAL OF OFFER TO RESCIND FRANCHISE AGREEMENT

1. I, the undersigned, acknowledge that I have read the preceding Notice of Offer to Rescind Franchise Agreement and understand its contents.
2. I understand that I have not waived my rights under the Maryland Franchise and Disclosure Law by signing this document.
3. I hereby make the following choice to accept or refuse your offer to rescind my franchise agreement:

CHECK ONE

_____ I hereby **accept** your offer of rescission and agree to not use your trademarks, patents, and system and to not use or disclose to anyone the trade secrets, and confidential and proprietary information that we obtained from you.

_____ I do **not accept** your offer of rescission. I wish to remain a franchisee under my franchise agreement.

Date: _____

Franchisee