

ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND

IN THE MATTER OF:

Advanced Mobile IV, LLC,

Respondent.

Case No. 2023-0028

* * * * *

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 Advanced Mobile IV, LLC (“AMIV”) under the authority granted under the Maryland Franchise Registration and Disclosure Law, MD. CODE ANN. BUS. REG. §§14-201 et seq. (2015 Repl. Vol.) (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 AMIV violated the registration, disclosure, and anti-fraud provisions of the Maryland Franchise Law in relation to the offer and sale of a franchise under the Maryland Franchise Law;

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

WHEREAS, AMIV waives its right 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. AMIV is a Utah limited liability company formed in January 2022 with a principal business address located at 1971 S. 2660 E., St. George, UT 84790.

3. AMIV offers and sells franchises for service providers who provide intravenous hydration infusion and injections for the benefit of its subscribing members and the public using the name Advanced Mobile IV.

4. On January 9, 2023, AMIV filed an initial application with the Securities Division to register the Advanced Mobile IV franchise offering under the Maryland Franchise Law. The Franchise Disclosure Document (“FDD”) that AMIV filed with the Securities Division as part of its initial franchise registration application represented that AMIV had 9 franchise outlets operating at the end of 2022.

5. On January 11, 2023, the Securities Division summarily rejected AMIV’s initial franchise registration application and suggested, among other things, that before resubmitting a new application for registration, the franchisor should consider consulting a professional or lawyer with some experience registering franchise offerings with State franchise agencies.

6. In February 2023, the Securities Division received information that AMIV may

have offered and sold at least one franchise in Maryland when AMIV was not registered to offer franchises under the Maryland Franchise Law.

7. On February 13, 2023, the Securities Division sent a letter to AMIV requesting information regarding alleged offers and sales of AMIV franchises in Maryland. That same week, an attorney contacted the Securities Division and said that he was recently retained by AMIV. The attorney requested information about how to remedy an alleged unregistered sale of a franchise by AMIV to a Maryland resident.

8. On March 24, 2023, the attorney for AMIV provided information to the Securities Division about the sale of an Advanced Mobile IV franchise in Maryland. Specifically, AMIV's attorney represented that, on August 8, 2022, AMIV entered into a franchise agreement with ED, a Registered Nurse and a resident of Essex, Maryland, to operate an Advanced Mobile IV franchise in the Baltimore, Maryland area. On November 22, 2022, AMIV entered into a replacement franchise agreement with ED, now operating as Advanced Mobile IV of Baltimore, LLC ("Baltimore Franchisee").

9. AMIV represents that the Baltimore Franchisee paid AMIV a \$10,000 initial fee under the franchise agreement.

10. AMIV also represents that AMIV gave the Baltimore Franchisee a copy of an FDD in July 2022, prior to ED's signing her original franchise agreement. That FDD was materially incomplete, however, and did not contain all disclosures required under the Maryland Franchise Law or the Federal Trade Commission Franchise Rule, 16 CFR Part 436.

11. The FDD that AMIV gave to the Baltimore Franchisee stated that AMIV makes no financial performance representations about a franchisee's future financial performance or the past financial performance of franchise or company-owned outlets, and that AMIV also does not

authorize its employees or representatives to make any such representations, either orally or in writing.

12. AMIV provided the Securities Division with a copy of the employment advertisement AMIV posted on the website www.indeed.com to which ED responded before signing her original AMIV franchise agreement. That employment advertisement stated that AMIV was seeking registered nurses with IV skills for independent contractor positions for a mobile IV therapy company that provides services to patients. The advertisement stated: “We pay our RNs 50% of the entire call and 100% of your tips. Each patient averages \$200 and our average tips are 13-15% of the entire call, each call is approx. 35-40 mins and can include 2, 3 4+ patients at a time. Last month’s average per call was \$271.” AMIV’s advertisement also included a statement that the salary offered for this position was \$40,000 - \$100,000 per year.

13. AMIV represents that, at the time it posted its advertisement on www.indeed.com, AMIV’s affiliate located in St. George, Utah had achieved average earnings per call similar to those it posted in the advertisement.

14. The Securities Division has determined that the franchise agreements that AMIV entered into with the Baltimore Franchisee constitutes a “franchise” under the Maryland Franchise Law.

15. Although AMIV gave the Baltimore Franchisees a copy of an FDD before the Baltimore Franchisees entered into its franchise agreements with AMIV, that FDD was not reviewed by the Securities Division or registered under the Maryland Franchise Law.

16. AMIV represents that, other than the franchise agreement with the Baltimore Franchisee, AMIV did not offer or sell a franchise in Maryland or to any Maryland residents.

17. AMIV represents and agrees that, in the future, it will comply with all provisions

under the Maryland Franchise Law.

III. CONCLUSIONS OF LAW

18. By engaging in the above activities, the Securities Commissioner has concluded that AMIV violated §§14-214, 14-216, and 14-229 of the Maryland Franchise Law.

IV. ORDER AND CONSENT

19. THE SECURITIES COMMISSIONER HEREBY ORDERS AND AMIV HEREBY CONSENTS AND REPRESENTS AS FOLLOWS:

- A. AMIV shall 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, AMIV shall send to the Baltimore Franchisee the following: (i) a copy of this Consent Order; and (ii) a letter, in substantially the form attached to this letter as Exhibit 1, captioned “Notice of Rescission Rights,” notifying the Baltimore Franchisee that it is being offered an opportunity to immediately rescind its AMIV franchise agreement under the terms of this Consent Order and, if it opts to rescind, receive a refund of the initial fees it paid AMIV;
- C. If the Baltimore Franchisee does not opt to rescind its AMIV franchise agreement in response to AMIV’s Notice of Rescission rights, AMIV shall diligently pursue its pending application to register the Advanced Mobile IV franchise offering under the Maryland Franchise Law. For purposes of this Consent Order, “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;
- D. Upon notification by the Securities Division that Advanced Mobile IV’s franchise offering is effectively registered for use in Maryland, AMIV shall send to the Baltimore Franchisee, if it has not previously rescinded its Advanced Mobile IV franchise agreement, the following: (i) a copy of an effectively registered Maryland FDD; and (ii) a letter, in substantially the form attached to this letter as Exhibit 2 captioned “Offer to Rescind Franchise,” notifying the Baltimore Franchisee that it is being given a second opportunity to rescind its AMIV franchise agreement under the terms of this Consent Order;
- E. The Securities Commissioner had determined that AMIV’s offer of a franchise to the Baltimore Franchisee in the form of the Notice of Rescission Rights described in this Consent Order is exempt from the registration provisions of the Maryland Franchise Law;

- F. AMIV shall remit to the Office of Attorney General, as a civil monetary penalty, the sum of Five Hundred Dollars \$500.00;
- G. If AMIV fails to completed the registration of its franchise offering with the Securities Division for purposes of making the Offer to Rescind Franchise required under this Consent Order as of six (6) months from the date of this Consent Order (“Due Date”), AMIV shall be assessed an additional civil monetary penalty in the amount of One Thousand Dollars (\$1,000.00) due and payable within fifteen (15) days after the Due Date, which civil penalty amount shall continue to increase by \$250.00 (“Additional Penalty”) for every additional month after the Due Date so long as AMIV has not obtained a registration of its franchise offering with the Securities Division. If AMIV is not registered as required under this Consent Order after seven (7) months, an Additional Penalty shall be due and payable by the fifteenth (15) day of the eighth month after the date of this Consent Order, and on the 15th day of each succeeding month so long as AMIV is not registered as required under this Consent Order. If AMIV fails to make timely payments to the Office of the Attorney General as required under this Consent Order, and payments are delinquent for more than sixty (60) days, the Office of the Attorney General may refer collection of the monies due under this Consent Order to the Central Collections Unit (“CCU”) of the State of Maryland. If a referral is made, any fee assessed by CCU shall be in addition to, and not offset, the balance of the civil monetary penalty owed to the Securities Division; and
- H. AMIV 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

20. Jurisdiction shall be retained by the Securities 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

21. If AMIV fails to comply with any term of this Consent Order, the Securities Division may bring administrative or judicial proceedings against them to enforce this Consent Order or to sanction them 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 AMIV 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

22. 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 17, 2023

BY CONSENT:

Advanced Mobile IV, LLC

By: Ashley Yardley, Managing Member

FORM
(On Company Letterhead)

BY FEDERAL EXPRESS

Re: **[Company] Notice of Rescission Rights**

Dear _____:

In accordance with discussions our attorneys have had with the Securities Division of the Office of the Attorney General of Maryland, [Insert Name of Company] ("we") have agreed under the attached Consent Order to offer rescission to any Maryland residents who entered into Franchise Agreement(s) with us in violation of the registration and disclosure provisions of the Maryland Franchise Law. We are making this offer in settlement of the administrative proceeding that the Division may bring for the alleged sale of a franchise in violation of the Maryland Franchise Law, and this offer does not affect any civil liability for which we may be responsible.

If you elect to rescind and terminate your Franchise Agreement, we agree to cancel your Franchise Agreement, including all post-term and non-competition obligations you may have to us under that Franchise Agreement. You also will give up any rights to use our trademarks and system and be obligated to refrain from using and disclosing any of our trade secrets and any of our confidential and proprietary information

In the event you rescind, we will return to you the initial fees you paid us under your Franchise Agreement, and we will make payments to you within thirty- one (31) days after we receive your Acceptance of Offer to Rescind.

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

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 Tade Osikomaiya, Assistant Attorney General, at the Division (410-576-7039).

Sincerely,

[The Company]

cc: Consent Order

ACCEPTANCE OR REFUSAL OF RESCISSION OF FRANCHISE AGREEMENT

1. I, the undersigned, acknowledge that I have read the preceding Notice of Rescission Rights for 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 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 at this time. I understand that I will be given a second opportunity to rescind my franchise once the franchisor has registered the franchise offering with the securities Division under the Maryland Franchise Law.

Date

Franchisee

FORM
(On Company Letterhead)

BY FEDERAL EXPRESS

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

Dear _____:

As you recall, [Insert Name of Company] ("we") agreed to offer rescission to you of your franchise agreement with us. 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 and terminate your Franchise Agreement, we agree to cancel your Franchise Agreement, including all post-term and non-competition obligations you may have to us under that Franchise Agreement. You also will give up any rights to use our trademarks and system and be obligated to refrain from using and disclosing any of our trade secrets and any of our confidential and proprietary information

In the event you rescind, we will return to you the initial fees you paid us under your Franchise Agreement, and we will make payments to you within thirty- one (31) days after we receive your Acceptance of Offer to Rescind.

If you consider remaining a franchisee under your current franchise agreement, we are including a franchise disclosure document regarding that franchise offering that you should review before making that decision.

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 Tade Osikomaiya, Assistant Attorney General, at the Division (410-576-7039).

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 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