

ADMINISTRATIVE PROCEEDING  
BEFORE THE  
SECURITIES COMMISSIONER OF MARYLAND

IN THE MATTER OF:

**Paramount Franchising LLC**  
**dba Paramount Tax & Accounting**

Respondent.

Case No. 2023-0005

\* \* \* \* \*

**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 Paramount Franchising LLC, dba Paramount Tax & Accounting (“Paramount Franchising”) 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 Paramount Franchising violated the registration and disclosure 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 Paramount Franchising admitting or denying any violation of law, the Securities Commissioner and Paramount Franchising have reached an agreement to enter into this Consent Order; and

WHEREAS, Paramount Franchising 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. Paramount Franchising is a Nevada limited liability company with a principal business address located at 12481 South Fort St., Suite 200, Draper, Utah 84020.

3. Paramount Franchising offers and sells franchises for business services offering federal and state tax return preparation, tax resolution, accounting and related accounting and financial services using the name “PARAMOUNT.”

4. Paramount Franchising was registered with the Securities Division to offer and sell franchises under the Maryland Franchise Law from October 16, 2017 through September 19, 2019.

5. On August 2, 2019, Paramount Franchising filed an application with the Securities Division to renew its then-current franchise registration under the Maryland Franchise Law.

6. On August 14, 2019, the Securities Division reviewed Paramount Franchising's renewal application and issued comments to that application that the franchisor needed to address before the Securities Division would renew Paramount Franchising's franchise offering. Paramount Franchising did not respond to the comments issued by the Securities Division.

7. On February 14, 2020, the application filed by Paramount Franchising on August 2, 2019 was deemed abandoned by the Securities Division.

8. On September 19, 2019, Paramount Franchising's registration expired. Therefore, Paramount Franchising was not registered with the Securities Division to offer or sell franchises under the Maryland Franchise Law from September 20, 2019 to the date of this Consent Order.

9. On October 18, 2022, Paramount Franchising refiled an initial registration application with the Securities Division.

10. On November 3, 2022, the Securities Division reviewed Paramount Franchising's refile initial application and issued comments to that application that the franchisor needed to address before the Securities Division would register Paramount Franchising's franchise offering under the Maryland Franchise Law.

11. Among the comments the Securities Division made on Paramount Franchising's October 18, 2022 submission was a request that the franchisor submit an undertaking stating that the franchisor had not offered or sold any franchises after its Maryland registration expired on September 19, 2019.

12. On December 7, 2022, an attorney for Paramount Franchising sent an email to the Securities Division acknowledging that Paramount Franchising offered and sold a franchise in Maryland during the period it was not registered under the Maryland Franchise Law.

13. On January 5, 2023, the Securities Division emailed the attorney for Paramount

Franchising and requested copy of the franchise disclosure document (“FDD”) given to the Maryland individual, the agreement signed with the Maryland individual, and an undertaking by the franchisor.

14. On January 5, 2023, the attorney for Paramount Franchising emailed to the Securities Division copy of a franchise agreement between Paramount Franchising and “JK,” a resident of Annapolis, Maryland, in which JK was granted the right to own and operate a Paramount Franchising franchise in Anne Arundel County?, Maryland. The attorney also included a copy of an FDD that Paramount Franchising represented it gave to JK prior to the signing of his franchise agreement.

15. Under the franchise agreement that JK signed with Paramount Franchising, JK paid Paramount Franchising initial franchise fees of \$35,000 and an Equipment Package fee of \$20,000.

16. Paramount Franchising represented to the Securities Division that, as of the date of this Consent Order, JK continues to operate as a franchisee of Paramount Franchising.

17. The Securities Division has determined that the franchise agreements that Paramount Franchising entered into with JK is a “franchise” under the Maryland Franchise Law.

18. Although Paramount Franchising gave JK a copy of an FDD before JK entered into a franchise agreement with Paramount Franchising, the FDD was not reviewed by the Securities Division or registered under the Maryland Franchise Law.

19. Paramount Franchising represents that, other than the franchise agreement with JK, Paramount Franchising did not offer or sell a franchise in Maryland or to any Maryland residents during the period it was not properly registered in Maryland.

20. Paramount Franchising represents and agrees that, in the future, it will comply

with all provisions under the Maryland Franchise Law.

### III. CONCLUSIONS OF LAW

21. By engaging in the above activities, the Securities Commissioner has concluded that Paramount Franchising violated §§14-214, 14-216, and 14-231 of the Maryland Franchise Law.

### IV. ORDER AND CONSENT

22. THE SECURITIES COMMISSIONER HEREBY ORDERS AND PARAMOUNT FRANCHISING HEREBY CONSENTS AND REPRESENTS AS FOLLOWS:

- A. Within ten (10) days of its receipt of a fully executed Consent Order of the Securities Commissioner, Paramount Franchising shall send to JK 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 JK that he is being offered an opportunity to immediately rescind his Paramount Franchising franchise agreement under the terms of this Consent Order and, if he opts to rescind, receive a refund of the initial fees he paid Paramount Franchising and the amount he paid Paramount Franchising for the Equipment Package if JK returns, at the franchisor’s expense, the equipment JK received as part of that Equipment Package;
- B. If JK does not opt to rescind his Paramount Franchising franchise agreement in response to Paramount Franchising’s Notice of Rescission rights, Paramount Franchising shall diligently pursue its pending application to register the Paramount Franchising 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;
- C. Within ten (10) days of notification by the Securities Division that Paramount Franchising’s franchise offering is effectively registered for use in Maryland, Paramount Franchising shall send to JK 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 JK that he is being given a second opportunity to rescind his Paramount Franchising franchise

agreement under the terms of this Consent Order;

- D. The Securities Commissioner had determined that Paramount Franchising's offer of a franchise to JK 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;
- E. Paramount Franchising shall remit to the Office of Attorney General, as a monetary penalty, the sum of Seven Hundred and Fifty Dollars \$750.00;
- F. Paramount Franchising 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

23. 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

24. If Paramount Franchising 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 Paramount Franchising 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

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

**DATE OF THIS ORDER;**

February 14, 2023

**SO ORDERED:**

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

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MELANIE SENTER LUBIN  
SECURITIES COMMISSIONER

**BY CONSENT:**

Paramount Franchising LLC

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By: Jon Wilhelm, CEO, CFO  
and Chief Franchise Development Officer

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 franchise fees you paid us under your Franchise Agreement, and give you a full refund of the cost you paid us for the "Equipment Package" you purchased from us, if you return the equipment to us, at our expense. We will refund the initial franchise fee you paid to us within 31 days after we receive your Acceptance of Offer to Rescind, and we will refund the price of the "Equipment Package" within 31 days of receiving the equipment.

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,

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[The Company]

cc:    Consent Order

## ACCEPTANCE OR REFUSAL OF OFFER TO RESCIND 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. Please contact me to arrange for the return to you of the equipment from my Equipment Package.

\_\_\_\_\_ 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 franchise fees you paid us under your Franchise Agreement, and give you a full refund of the cost you paid us for the "Equipment Package" you purchased from us, if you return the equipment to us, at our expense. We will refund the initial franchise fee you paid to us within 31 days after we receive your Acceptance of Offer to Rescind, and we will refund the price of the "Equipment Package" within 31 days of receiving the equipment.

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. Please contact me to arrange for the return to you of the equipment from my Equipment Package.

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

Date: \_\_\_\_\_

\_\_\_\_\_  
Franchisee