ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND

In the Matter of:	*	
2121 K Street, LLC.	*	Case No. 2023-0304
Respondent	*	

* * * * * * * * * * * * *

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 2121 K Street, LLC ("2121") under the authority granted under the Maryland Franchise Registration and Disclosure Law, MD. BUS. REG. CODE ANN. Sections 14-201 et seq. (2024 Repl. Vol.) (the "Maryland Franchise Law"); and

WHEREAS, as a result of that investigation, the Maryland Securities Commissioner (the "Securities Commissioner") found grounds to allege that 2121 violated the registration and disclosure provisions of the Maryland Franchise Law in relation to an offer to sell and sale of a HomeSlyce franchise restaurant in Washington, DC to a Maryland resident; 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 2121 admitting or denying any violation of law, the Securities Commissioner and 2121 have reached an agreement to enter into this Consent Order; and

WHEREAS, 2121 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

A. Respondent

2. 2121 was formed as a Washington, DC limited liability company with the principal business address of 2121 K Street, NW, Washington, DC 20037.

3. HomeSlyce, Inc. ("HomeSlyce") was formed as a corporation in Delaware on May 11, 2006 with an address at 850 New Burton Road, Suite 201, Dover, DE 19904.

4. HomeSlyce owns and operates pizza restaurants.

5. 2121 is an affiliate of HomeSlyce.

6. HomeSlyce Franchise Systems, LLC ("HomeSlyce FS") is a Maryland corporation formed on September 20, 2021, with a principal business address of 8280 Patuxent Range Road, Suite C2, Jessup, MD 20794.

7. HomeSlyce FS offers franchises for a hybrid quick serve/full-service restaurant offering signature and fresh pizzas, specialty menu items, beer, wine, and cocktails operating under the name "HomeSlyce."

8. 2121 has never been registered to offer and sell franchises under the Maryland Franchise Law.

9. HomeSlyce FS was registered to offer and sell franchises under the Maryland

Franchise Law from March 9, 2022, to March 9, 2023.

B. The sale of a HomeSlyce restaurant by 2121 to a Maryland Resident

10. Starting in 2015, 2121 owned and operated a HomeSlyce restaurant at 2121 K Street, NW, Washington, DC 20037 (the "2121 Restaurant"). The 2121 Restaurant was an established eat-in and carry out pizza shop with a liquor license.

11. Attorney for 2121 represents that 2121 engaged an attorney licensed to practice law in Maryland to advise 2121 about its legal rights and obligations and to draft all documents described in this section.

12. Around December 2021, AP, TP, FP, and Golden Restaurant LLC ("Maryland Buyers"), at least one of whom is a Maryland resident, entered into a management agreement with 2121 ("Management Agreement").

13. Under the Management Agreement, the parties agreed to work towards an agreement for the purchase of the 2121 Restaurant.

14. Under the Management Agreement, the Maryland Buyers agreed to pay the following amounts: $22,191 for lease deposit; $50,000 for deposit/security to owner; about $10,000 for inventory; $2,000 for business licenses; and, $25,000 for licensing fee.

15. The Management Agreement granted the Maryland Buyer's the non-exclusive license to use the name, logo, trademarks, signs, symbols, and marks that HomeSlyce uses in the development and operation of restaurants.

16. On December 30, 2021, the Maryland Buyers entered into an Asset Purchase Agreement to buy the 2121 Restaurant.

17. The purchase price for the 2121 Restaurant was $130,000.00, of which $50,000 was payable upon execution of the Asset Purchase Agreement, and an additional $80,000 was to

be paid at closing.

18. The purchase price was allocated as follows: $35,000 for the landlord of the 2121 Restaurant location; $35,000 for goodwill; and $60,000 for furniture and equipment. The Maryland Buyers also agreed to pay for inventory, licensing fees, and to reimburse 2121 for the Lease Deposit.

19. Under the Purchase Agreement, the parties agreed to pay additional amounts to 2121 at closing as required under the Management Agreement, including a lease deposit, additional sums for inventory, a business license, and $25,000 as a licensing fee.

20. The Maryland Buyers were provided access to a HomeSlyce Operating Manual similar to the one later provided to HomeSlyce FS franchisees.

21. The Maryland Buyers participated in training by HomeSlyce representatives. Once they began operating a HomeSlyce Restaurant, the Maryland Buyers were subject to inspection and compliance checks from HomeSlyce representatives on issues including cleanliness, staffing, use of approved products and approved wine, marketing, and financial obligations.

22. 2121 provided the Maryland Buyers with a pricing sheet and operation manual, and later required the Maryland Buyer to attend regular meetings and trainings with HomeSlyce franchisees.

23. On or around September 13, 2023, the Securities Division received a complaint from the attorney for the Maryland Buyers regarding the sale of the 2121 Restaurant. That complaint included, among other things, copies of the Management Agreement, the Purchase Agreement, and closing documents.

24. On October 23, 2023, the Securities Division sent a letter to HomeSlyce FS and

inquired about the alleged offer and sale to Maryland residents of a HomeSlyce restaurant franchise located in Washington, DC.

25. On November 21, 2023, new legal counsel for 2121 ("Counsel for 2121") responded to the Securities Division's request for information and provided a copy of the Management Agreement and Purchase Agreement with the Maryland Buyers, among other information.

26. 2121 acknowledges that it did not provide a Franchise Disclosure Document ("FDD") to the Maryland Buyers prior to their execution of the Management Agreement or Purchase Agreement.

27. Counsel for 2121 represents that there was no closing on the purchase and sale of the 2121 Restaurant by the Maryland Buyers.

28. Counsel for 2121 represents that on January 11, 2024, 2121 terminated the Asset Purchase Agreement and the Management Agreement.

29. Counsel for 2121 represented to the Securities Division that, as of the date of this Consent Order, the Maryland Buyers vacated the 2121 Restaurant and are no longer operating the 2121 Restaurant.

C. Representations by Respondents

30. 2121 represents that, other than its Management Agreement and Purchase Agreement with the Maryland Buyers, 2121 has not entered into any franchise agreements, license agreements, or similar agreements with any Maryland residents or with any other residents granting them the right to operate a HomeSlyce business to be located in whole or in part in Maryland.

31. 2121 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

32. The Securities Commissioner has concluded that 2121, by engaging in the above activities, violated sections 14-214, 14-216, and 14-223 of the Maryland Franchise Law.

IV. ORDER AND CONSENT

33. THE SECURITIES COMMISSIONER HEREBY ORDERS AND 2121 HEREBY CONSENTS AND REPRESENTS AS FOLLOWS:

A. 2121 shall permanently cease and desist from the offer or sale of franchises in violation of the Maryland Francise Law;

B. Within ten (10) days of its receipt of a fully executed Consent Order of the Securities Commissioner, Respondents shall send to AP, TP, FP the following: (i) a copy of the executed Consent Order; and (ii) a cashier's check for $25,000 representing a full refund of the licensing fee the Maryland Buyers paid to 2121, with no conditions or demands for a release of liability;1

C. 2121 shall remit to the Office of Attorney General, as a civil monetary penalty, the sum of Five Hundred Dollars ($500); and

D. 2121 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

34. 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

35. If 2121 fails to comply with any term of this Consent Order, the Securities Division may bring administrative or judicial proceedings against 2121 to enforce this Consent

1 As of the date of this Consent Order, the LLC registration of Golden Restaurant is revoked, so the refund is going to the remaining Maryland Buyers.

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 2121 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 2121.

VII. MODIFICATION OF CONSENT ORDER

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

DATE OF THIS ORDER:

April 22, 2025

SO ORDERED:

Commissioner's Signature on File w/Original Documents

_____
MELANIE SENTER LUBIN
SECURITIES COMMISSIONER

BY CONSENT:

2121 K Street, LLC

_____
By: Dogan Salis