ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND

	*	
IN THE MATTER OF:	*	
Destination Athlete, LLC	*	Case No. 2026-0466
	*	

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

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 Destination Athlete, LLC ("DAL") under the authority granted under the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. §14-201 et seq. (2024 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 DAL violated the registration and disclosure provisions of the Maryland Franchise Law in relation to the offer and sale of franchises under the Maryland Franchise Law; 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 DAL admitting or denying any violation of law, the Securities Commissioner and DAL have reached an agreement to enter into this Consent Order; and

WHEREAS, DAL 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. DAL is a New Jersey limited liability company with a corporate headquarters located at 104 Main Street, Lebanon, NJ 08833.

3. DAL offers and sells franchises for the establishment and operation of businesses that provide athletic apparel, sports equipment, support services, and related merchandise to athletes, teams, schools, leagues, and other sports organizations.

4. DAL was registered to offer and sell franchises in Maryland from February 10, 2014, through February 10, 2015.

5. On April 4, 2015, DAL filed with the Securities Division a second initial application to register its franchise offering under the Maryland Franchise Law for another one-year term ("April 4, 2015 Application").

6. On April 15, 2017, the April 4, 2015 application was deemed abandoned by the Securities Division because DAL failed to respond to the Securities Division's final comment letter, issued on September 15, 2016, following multiple comment letters and cure submissions.

7. On March 4, 2026, DAL filed with the Securities Division a third initial

application to register its franchise offering under the Maryland Franchise Law.

8. On March 13, 2026, the Securities Division reviewed DAL's third initial application and issued comments to the application that the franchisor needed to address before the Securities Division would register DAL's franchise offering ("March 13, 2026 Comment Letter"). Among the comments the Securities Division made in the March 13, 2026 Comment Letter was a request that the franchisor submit an undertaking stating that the franchisor had not offered or sold any franchises in Maryland during the time the franchisor was not effectively registered under the Maryland Franchise Law.

9. On June 5, 2026, DAL, through its counsel, submitted a letter to the Securities Division stating that, in 2025, DAL had sold a franchise for the development and operation of a Destination Athlete franchise in a territory comprising Fairfax County and Loudoun County, Virginia, to a husband-and-wife franchisee residing in Monrovia, Maryland. The letter includeda copy of the franchise agreement.

10. Specifically, DAL represented that on October 15, 2025, DAL entered into a Franchise Agreement with CED and HMD ("Maryland Franchisees"), both residents of Maryland, for a Destination Athlete franchise to be located in Virginia ("Maryland Franchise Agreement").

11. The Maryland Franchise Agreement requires the Maryland Franchisees to pay DAL an initial franchise fee of $80,000. DAL, through its counsel, represented to the Securities Division that the Maryland Franchisees have paid $62,150 toward the initial franchise fee, plus interest.

12. DAL represented to the Securities Division that the Maryland Franchisees' Destination Athlete franchise is open and operating as of the date of this Order.

13. The Securities Division has determined that the Franchise Agreement that DAL entered into with the Maryland Franchisees is a "franchise" under the Maryland Franchise Law.

14. DAL was not registered with the Securities Division to offer or sell franchises under the Maryland Franchise Law at the time it entered into the Franchise Agreement with the Maryland Franchisees.

15. DAL did not provide a franchise disclosure document ("FDD") as required under the Maryland Franchise Law prior to offering and selling a franchise to the Maryland Franchisees.

16. DAL represents that, other than the sale of the Maryland Franchise Agreement described in this Consent Order, DAL did not offer or sell a franchise in Maryland or to any Maryland residents.

17. DAL 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 DAL violated sections 14-214, 14-215, 14-216, and 14-223 of the Maryland Franchise Law.

IV. ORDER AND CONSENT

19. THE SECURITIES COMMISSIONER HEREBY ORDERS AND RESPONDENTS HEREBY CONSENT AND REPRESENT AS FOLLOWS:

A. DAL shall immediately and permanently cease and desist from the offer and sale of franchises in violation of the Maryland Franchise Law;

B. DAL shall remit to the Office of Attorney General, as a civil monetary penalty, the sum of Five Thousand Dollars ($5,000.00);

C. Within ten (10) days of its receipt of a fully executed Consent Order of the Securities Commissioner, DAL shall send by mail or electronically, in each case with applicable tracking/recipient documentation, to the Maryland Franchisees 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 Maryland Franchisees that they are being offered an opportunity to immediately rescind the Franchise Agreement under the terms of this Consent Order and, if they opt to rescind, receive a refund of the initial fees and interest it paid DAL, and if applicable, the amount it paid DAL for products and equipment it purchased from DAL and its affiliates as of the date of acceptance of the rescission offer if they return, at DAL's expense, the products and equipment it received as part of its purchase of the Franchise Agreement;

D. If the Maryland Franchisees do not opt to rescind its Franchise Agreement in response to DAL's Notice of Rescission rights, DAL shall diligently pursue its pending application to register its 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;

E. If the Maryland Franchisees do not opt to rescind its Franchise Agreement in response to the Notice of Rescission Rights, and DAL fails to register its franchise offering with the Securities Division as required under this Consent Order within six (6) months from the date of this Consent Order ("Due Date"), DAL 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 DAL has not obtained a registration of its franchise offering with the Securities Division. If DAL is not registered as required under this Consent Order after seven months, an Additional Penalty shall be due and payable by the fifteenth (15) day of the eighth month after the date of this Agreement, and on the 15th day of each succeeding month so long as DAL is not registered as required under this Consent Order. If DAL 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;

F. If DAL is required to register its franchise offering under Paragraph (D) above, within ten (10) days of notification by the Securities Division that the DAL franchise offering is effectively registered for use in Maryland, DAL shall send by mail or electronically, in each case with applicable tracking/recipient

documentation, to the Maryland Franchisees 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 Agreement," notifying the Maryland Franchisees that it is being given a second opportunity to rescind its Franchise Agreement under the terms of this Consent Order;

G. The Securities Commissioner has determined that the initial DAL offer of a franchise to the Maryland Franchisees 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; and

H. DAL 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 DAL 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 DAL 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.

DATE OF THIS ORDER;

August 27, 2026

SO ORDERED:

Commissioner's Signature on File w/Original Documents

MELANIE SENTER LUBIN
SECURITIES COMMISSIONER

BY CONSENT:

Destination Athlete, LLC

By: Douglas D. Dickison - Founder and Chairman

FORM
(On Company Letterhead)

VIA [INSERT DELIVERY METHOD]
TO [INSERT FULL ADDRESSEE INFORMATION]

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 Securities 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 fee you paid us under your Franchise Agreement and, if applicable, give you a full refund of the cost you paid us for any equipment or products you purchased from us, if you return the equipment/products to us, at our expense. We will refund the initial 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/products within 31 days of receiving the equipment or products.

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 ("FDD"), 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 Securities Division (410-576-7039).

Sincerely,

_____
[The Company]

Enclosed: 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 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 Agreement once the franchisor has registered its franchise offering with the Securities Division under the Maryland Franchise Law.

_____ _____

Date Franchisee

FORM
(On Company Letterhead)

VIA [INSERT DELIVERY METHOD]
TO [INSERT FULL ADDRESSEE INFORMATION]

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 Agreement. 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 fee you paid us under your Franchise Agreement and, if applicable, give you a full refund of the cost you paid to us for any equipment package/products you purchased from us, if you return the equipment/product to us, at our expense. We will refund the initial 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/products within 31 days of receiving the equipment or products.

If you consider remaining a franchisee under your current Franchise Agreement, we are including a franchise disclosure document ("FDD") regarding that franchise offering that you should review before making that decision. You are not required to sign the new Franchise Agreement described in the FDD if you wish to remain as a franchisee under your existing Franchise Agreement.

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 Securities Division (410-576-7039).

Sincerely,

_____

[The Company]

Enclosed: Maryland registered 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 Registration 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/product.

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

Date:_____ _____

Franchisee