# STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS **SECURITIES DIVISION**

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IN THE MATTER OF DETERMINING whether there has been a violation of the Franchise Investment Protection Act of

> A Nanny On the Net LLC and Amy C. Hardison,

> > Respondents.

Order Number S-05-248-06-CO01

CONSENT ORDER

## INTRODUCTION

On March 15, 2006, the Securities Division, Department of Financial Institutions, Washington State, ("the Securities Division") entered Statement of Charges And Notice of Intent to Enter an Order to Cease and Desist, Order Number S-05-248-06-SC01, ("Statement of Charges") against Respondents, A Nanny On the Net LLC and Amy C. Hardison. Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division and Respondents, A Nanny On the Net LLC and Amy C. Hardison, do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondents, A Nanny On the Net LLC and Amy C. Hardison, neither admit nor deny the Findings of Fact and Conclusions of Law stated below.

### FINDINGS OF FACT

### Respondents

- 1. A Nanny On the Net LLC, a Virginia limited liability company, was established on March 29, 2005.
- A Nanny On the Net LLC is currently doing business at 701 Rumford Ct. Chesapeake, VA 23322-000. A
- Nanny On the Net LLC maintains a website at http://www.anannyonthenet.com/.

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2. Amy C. Hardison is the Registered Agent and member manager of the A Nanny On the Net LLC.

# Nature of Offering

- 3. A Nanny On the Net LLC ("Nanny On the Net") is the seller of a franchise opportunity to own and operate an online nanny placement service, called A Nanny On the Net where individuals and/or families pay a family application fee and a nanny placement fee to find and hire a nanny through the service.
- 4. Respondents caused to be placed on the website an advertisement for a Nanny On the Net franchise opportunity in Washington whereby purchasers of the opportunity own an exclusive territory.
- 5. The website represents that A Nanny On the Net offers "Great Revenue potential" as well as "continual support" from the Nanny On the Net corporate office and use of the Nanny On the Net trade name and copyrighted material.
- 6. Purchasers of the opportunity are given the right to use the Nanny On the Net website. The website is marketed nationally on all major search engines. The website states, "A major benefit is that we are nationally promoted and listed with the top search engine."
- 7. Purchasers of the opportunity are provided with a regional office listing on the Nanny On the Net website. The website listing provides a hyperlink to the regional office page. The regional office pages have standardized graphics and selection menus and also use the Nanny On the Net logo and copyright.
- 8. According to the website, the fees paid to Nanny On the Net for the nanny services vary based upon the office location. As an example, the Vancouver, Washington family application fee is \$100 and the nanny placement fees are \$1295 for a full-time nanny and \$1495 for a live-in nanny. These fees are paid by the families or individuals hiring the nannies.

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9. Purchasers of the opportunity are obligated to pay a fee to purchase an exclusive territory.

10. In September 2004, a Washington resident called for information regarding the Nanny On the Net franchise opportunity. The Washington resident spoke with Nanny On the Net member manager Amy C. Hardison ("Hardison") on several occasions. Hardison explained that purchasers of the opportunity are entitled to a percentage of the funds generated by the family application fees and nanny placement fees. Hardison also explained she would be paid a portion of the application and placement fees generated.

11. In October 2004, the Washington resident paid Hardison a fee of \$1900 to purchase the Clark County territory. As of the date the Statement of Charges was entered, Respondents were continuing to advertise their franchise opportunity on the Nanny On the Net website.

## **Registration Status**

12. A Nanny on the Net LLC is not currently and has not previously been registered to offer or sell franchises in the state of Washington.

Based upon the above Findings of Fact, the following Conclusions of Law are made:

### **CONCLUSIONS OF LAW**

1. The offer and/or sale of the opportunity described above constitute the offer and/or sale of a franchise as defined in RCW 19.100.010(4) and RCW 19.100.010(16).

2. The offer and/or sale of said franchises was in violation of RCW 19.100.020, the registration requirement provision of the Franchise Investment Protection Act, because no registration for offers and/or sales is on file with the Securities Administrator.

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#### **CONSENT ORDER**

Based upon the foregoing:

IT IS AGREED AND ORDERED that Respondents, A Nanny On the Net LLC and Amy C. Hardison, their agents and employees each shall cease and desist from offering or selling franchises in violation of RCW 19.100.020, the registration section of the Franchise Investment Protection Act of the State of Washington.

IT IS FURTHER AGREED AND ORDERED that Respondents, A Nanny On the Net LLC and Amy C. Hardison, shall disclose the existence and contents of this Order in any Uniform Franchise Offering Circular approved for use in the State of Washington, such requirement commencing from the date of entry of this Order.

IT IS FURTHER AGREED that Respondents, A Nanny On the Net LLC and Amy C. Hardison, shall pay to the Securities Division the costs, fees, and other expenses incurred in the investigation and prosecution of this matter in the amount of \$600 on or before the date of entry of this Order.

IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Order.

IT IS FURTHER AGREED that in consideration of the foregoing, Respondents, A Nanny On the Net LLC and Amy C. Hardison, waive their rights to a hearing in this matter and judicial review of this matter pursuant to Chapter 34.05 RCW.

1	11 IS FURTHER AGREED Respondents A Naminy On the Net LLC and Amy C. Hardison
2	understand the terms and conditions of this Order and enter into this Consent Order voluntarily.
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5	SIGNED this <u>10</u> day of <u>May</u> ,2006.
6	Approved for Entry by:
7	Signed by:
8	A Nanny On the Net LLC
9	
10	By Amy C. Hardison, Member Manager
11	Amy C. Hardison, Member Wanager
12	Signed by:
13	Signed by.
14	/s/
15	Amy C. Hardison
16	
17	SIGNED and ENTERED this17th day ofMay, 2006.
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19	midel E, Stevenson
20	MICHAEL E. STEVENSON Securities Administrator
21	Approved by: Presented by:
22	A . A . A . A
23	CONSENT ORDER  5 OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033
24	Olympia, WA 98507-9033

360-902-8760

Martin Cordell

Martin Cordell Chief of Enforcement

Angela R. Vogel Financial Legal Examiner

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