
IN THE MATTER OF:

JC FRANCHISING GROUP LLC

**STIPULATION
AND AGREEMENT**

No. ST-19-895-B

WHEREAS, the Banking Commissioner (the “Commissioner”) is responsible for administering Chapter 672c of the Connecticut General Statutes, the Connecticut Business Opportunity Investment Act (the “Act”);

WHEREAS, JC Franchising Group LLC (the “Franchisor”) of 2929 Stewart Drive, Suite 103, State College, Pennsylvania 16801 is a Georgia limited liability company formed on April 27, 2010;

WHEREAS, the Commissioner, acting pursuant to Section 36b-71 of the Act and through the Securities and Business Investments Division (the “Division”) of the Department of Banking, has conducted a review of the Franchisor’s activities to determine if it has violated or is about to violate any provision of the Act or any regulation or order under the Act;

WHEREAS, the Franchisor previously registered its business opportunity under the Act. That registration was terminated for nonrenewal on April 30, 2013;

WHEREAS, the Franchisor previously offered franchises under the “Mosquitoes Terminators” brand, relying on the exclusion in Section 36b-61(2)(D) [formerly Section 36b-61(6)(D)] of the Act;

WHEREAS, in its March 17, 2014 Franchise Disclosure Document (“FDD”), the Franchisor stated that “[a]s of the date of the issuance of this franchise disclosure document we will no longer offer Mosquito Terminators franchised businesses, but will incorporate the mosquito control services previously offered by Mosquito Terminators franchisees into the Green Home Solutions franchised business We anticipate that most Mosquito Terminators franchisees will sign the Green Home Solutions Franchise Agreement and operate as Green Home Solutions franchisees”;

WHEREAS, consistent with this representation, the franchise agreements entered into between the Franchisor and Connecticut franchisees in early 2014 made no reference to the “Mosquito

Terminators” trademark but did permit franchisees to use the “Green Home Solutions” mark and to operate a “Green Home Solutions” franchise;

WHEREAS, the “Green Home Solutions” trademark only became registered with the U.S. Patent and Trademark Office on July 15, 2014 (Registration No. 4,570,179);

WHEREAS, the Franchisor maintains that, at the time the “Green Home Solutions” trademark became federally registered, it had rights to that mark pursuant to a License Agreement which, though it bore a July 15, 2015 date, was actually executed on July 15, 2014, although a signed copy could not be produced. On May 2, 2019, the “Green Home Solutions” mark was formally assigned to the Franchisor. The Franchisor further maintains that, while it no longer offered Mosquito Terminators franchised businesses to franchisees after March 17, 2014, it still licensed the Mosquito Terminators mark to Green Home Solutions Franchisees, for use in connection with the Green Home Solutions franchised business;

WHEREAS, Section 36b-61(2)(D) of the Act provides, in part, that: “[S]ections 36b-60 to 36b-80, inclusive, shall not apply to the sale of a marketing program made in conjunction with the licensing of a registered trademark or service mark, provided (i) such trademark or service mark has been effectively registered under federal law; and (ii) for such trademark or service mark initially registered under federal law on or after October 1, 1996, the seller files with the commissioner a copy of the trademark or service mark certificate prior to any offer or sale in the state, provided further that failure to file such certificate shall not, in and of itself, preclude reliance on this exclusion”;

WHEREAS, Section 36b-65(b) of the Act provides, in part, that: “In any proceeding under sections 36b-60 to 36b-80, inclusive, the burden of proving an . . . exclusion or an exception from a definition is upon the person claiming it”;

WHEREAS, as a result of such review, the Commissioner alleges that, in contravention of Sections 36b-67(1) and 36b-62(a) of the Act, from at least May 2014 to July 14, 2014, the Franchisor sold “Green Home Solutions” business opportunities to Connecticut residents at a time when such business opportunities were not registered under the Act;

WHEREAS, Section 4-177(c) of Chapter 54 of the Connecticut General Statutes permits the resolution of a contested case by stipulation or agreed settlement;

WHEREAS, without holding a hearing and without trial or adjudication of any issue of fact or law, and prior to the initiation of any formal proceeding, the Commissioner and the Franchisor have reached an agreement, the terms of which are reflected in this Stipulation and Agreement, in full and final resolution of the matters described herein;

WHEREAS, the Franchisor desires to settle the matters described herein and, without admitting or denying the allegations herein, voluntarily enters into this Stipulation and Agreement, acknowledging that this Stipulation and Agreement is in lieu of any court action or administrative proceeding against the Franchisor, its officers, directors, employees, agents or representatives adjudicating any issue of fact or law on the specific matters described herein;

WHEREAS, the Franchisor, through its execution of this Stipulation and Agreement, voluntarily waives any rights it may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Stipulation and Agreement;

