

BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND

IN THE MATTER OF: *

ABANDONMENT OF *
BUSINESS OPPORTUNITY *
REGISTRATION APPLICATIONS, *

March 19, 2013

* * * * *

ORDER

WHEREAS, under the Maryland Business Opportunity Sales Act, MD. BUS. REG. CODE ANN. §14-101 et seq. (2010 Repl. Vol. and Supp. 2012) (the “Business Opportunity Act” or the “Act”), a person may not offer or sell in Maryland or to any prospective buyer in Maryland a business opportunity defined under the Act unless the business opportunity is registered under the Act; and

WHEREAS, under Section 14-113.1 (a) of the Business Opportunity Act, a seller registers a business opportunity by filing with the Maryland Securities Commissioner (the “Commissioner”) an application consisting of a disclosure statement in the form described under the Act and paying the filing fee required under the Act; and

WHEREAS, under Section 14-113.1 (e) of the Business Opportunity Act, a business opportunity registration becomes effective on the 10th business day after the day on which the seller files all required documents for registration; and

WHEREAS, as provided under the Business Opportunity Act, applicants file business opportunity registrations with the Commissioner, and in response, the Commissioner’s staff in the

Maryland Securities Division (the “Division”) reviews those applications and notifies the applicants either: (A) that the registration is complete and has been registered under the Act; or (B) that the applicant must provide additional information or correct the application before the seller’s registration will be made effective under the Business Opportunity Act (a “Deficiency Letter”); and

WHEREAS, in some cases, applicants who have filed business opportunity registrations and received a Deficiency Letter from the Division have not responded to the Deficiency Letter for significant periods of time, or at all; and

WHEREAS, under the Business Opportunity Act, unlike other investor protection laws the Commissioner administers, there is no specific provision addressing the abandonment of an application when an applicant fails to provide information requested by the Commissioner or otherwise neglects to pursue an application in a diligent manner; and

WHEREAS, under Section 14-106 of the Business Opportunity Act, in order to enforce the Act, the Commissioner may pass orders and adopt regulations and forms; and

WHEREAS, the Commissioner finds that for the effective administration and enforcement of the Business Opportunity Act, it is necessary and appropriate and in the public interest to designate the procedure by which applications are deemed abandoned when an applicant fails to provide information requested by the Commissioner or otherwise neglects to pursue an application in a diligent manner;

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to the authority granted under Section 14-106 of the Act, and for purposes of administering and enforcing the Business Opportunity Act:

1. For any application for registration under the Business Opportunity Act, if an

applicant fails to provide information requested by the Commissioner or otherwise neglects to pursue an application in a diligent manner in response to a Deficiency Letter, the Commissioner shall consider the application abandoned 6 months after the date of the last written communication from the applicant or any person on behalf of the applicant.

2. An applicant who wishes to revive an application for registration that has been abandoned shall submit an initial application for registration together with the application fee required under Section 14-113.1 of the Business Opportunity Act.

3. In the event an application is deemed abandoned under this Order, the Division shall notify the applicant in writing at the applicant's last known address that: (a) the application has been deemed abandoned; and (b) that if the seller seeks to offer or sell the business opportunity in Maryland, it must refile an initial business opportunity registration and pay a new filing fee as required under Section 14-113.1 of the Business Opportunity Act.

DATE OF THIS ORDER:

March 18, 2013

SO ORDERED:

**Commissioner's Signature is
on File with Original Document**

MELANIE SENTER LUBIN
SECURITIES COMMISSIONER