

1 **STATE OF WASHINGTON**  
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**  
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING  
5 whether there has been a violation  
6 of the Franchise Investment Protection Act of  
7 Washington by:

8 A Nanny on the Net LLC and  
9 Amy C. Hardison,  
10 Respondents.

Order Number S-05-248-06-SC01

STATEMENT OF CHARGES AND NOTICE  
OF INTENT TO ISSUE AN ORDER TO  
CEASE AND DESIST

11 THE STATE OF WASHINGTON TO: A Nanny on the Net LLC and  
12 Amy C. Hardison

13 **STATEMENT OF CHARGES**

14 Please take notice that the Securities Administrator of the State of Washington has reason to believe  
15 that Respondents, A Nanny On the Net LLC and Amy C. Hardison have violated the Franchise Investment  
16 Protection Act of Washington, RCW 19.100, and that their violations justify the entry of an order of the  
17 Securities Administrator under RCW 19.100.238 to cease and desist from such violations. The Securities  
18 Administrator finds as follows:

19 **TENTATIVE FINDINGS OF FACT**

20 Respondents

21 1. A Nanny On the Net LLC, a Virginia limited liability company, was established on March 29,  
22 2005. A Nanny On the Net LLC is currently doing business at 701 Rumford Ct. Chesapeake, VA 23322-  
23 000. A Nanny On the Net LLC maintains a website at <http://www.anannyonthenet.com/>.

24 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.

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

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

8 11. In October 2004, the Washington resident paid Hardison a fee of \$1900 to purchase the Clark  
9 County territory.

10 12. As of the date this Statement of Charges was entered, Respondents were continuing to  
11 advertise their franchise opportunity on the Nanny On the Net website.

12  
13 Registration Status

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

16  
17 Based upon the above Findings of Fact, the following Conclusions of Law are made:

18 **CONCLUSIONS OF LAW**

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

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

1                                   **NOTICE OF INTENT TO ISSUE AN ORDER TO CEASE AND DESIST**

2                   Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities  
3 Administrator intends to Order that Respondents, A Nanny on the Net LLC and Amy C. Hardison, and their  
4 agents and employees, shall each permanently cease and desist from violations of RCW 19.100.020.

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6                                   **AUTHORITY AND PROCEDURE**

7                   This STATEMENT OF CHARGES AND NOTICE OF INTENT TO ISSUE AN ORDER TO  
8 CEASE AND DESIST is entered pursuant to the provisions of RCW 19.100.248, and is subject to the  
9 provisions of ch. 34.05 RCW. Each of the Respondents may make a written request for hearing as set forth  
10 in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING  
11 accompanying this order.

12                   If a Respondent does not request a hearing, the Securities Administrator intends to adopt the above  
13 Tentative Findings of Fact and Conclusions of Law as final and enter a permanent cease and desist order  
14 against that Respondent.

15 Dated and Entered this 15<sup>th</sup> day of March, 2006.

16 By:

17   
18 MICHAEL E. STEVENSON  
19 Securities Administrator

20 Approved by:

21   
22 Martin Cordell  
23 Chief of Enforcement

Presented by:

24   
Angela Vogel  
Financial Legal Examiner