

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of

SOLD 4 U AUCTIONS, LLC

Respondent.

PETITION FOR ORDER

File No. S-222139(FX)

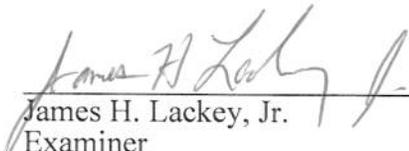
The staff of the Bureau of Enforcement of the Division of Securities, Department of Financial Institutions, State of Wisconsin (“Division”) has conducted an investigation in this matter pursuant to Wis. Stat. § 553.55, and as a result thereof alleges as follows:

1. Sold 4 U Auctions, LLC (“Sold 4 U”) is a Wisconsin limited liability company with a principal place of business at 2644 Hallie Road, Chippewa Falls, Wisconsin 54729.
2. At all material times, Sold 4 U was engaged in business as an auctioneering company conducting auctions through an internet web site.
3. In or about August 2010, Sold 4 U entered into an “Off-Site Sales Agreement” with a Wisconsin resident to operate a Sold 4 U franchise in Shell Lake, Wisconsin.
4. In or about March 2011, Sold 4 U entered into another “Off-Site Sales Agreement” with a different Wisconsin resident to operate a Sold 4 U franchise in Lake Wissota, Wisconsin.
5. The Off-Site Sales Agreements provided that:
 - a. The parties to the contracts with Sold 4 U would operate their auctioneering businesses under the “Sold 4 U Auctions” brand name and through the Sold 4 U auction web site;
 - b. The parties to the contracts with Sold 4 U were required to pay to Sold 4 U a one-time initial fee to cover training, technical support, Sold 4 U Auctions marketing materials, access to Sold 4 U’s list of auction bidders, and for ongoing maintenance of the Sold 4 U auction web site, and a monthly fee for use of the Sold 4 U computer server;
 - c. The parties to the contracts with Sold 4 U were also required to pay a percentage of their total sales.
6. The “Off-Site Sales Agreements” constituted Sold 4 U franchise agreements as defined by Wis. Stat § 553.03(a) because (1) the franchisees were granted the right to engage in the business of offering, selling, or distributing goods or services under a marketing plan or system prescribed or suggested in substantial part by Sold 4 U; (2) the operations of the franchisee’s businesses pursuant to Sold 4 U’s plan or system was substantially associated with Sold 4 U’s business and trademark; and (3) the franchisees were required to pay, directly and indirectly, a franchise fee.
7. Wis. Stat. § 553.21 provides that no person may sell in this state any franchise unless the franchise has been registered with the Division or is exempt from registration.
8. Sold 4 U has never been registered with the Division to sell franchises in Wisconsin and is not exempt from registration.

9. Sold 4 U violated Wis. Stat. § 553.21 by selling franchises in Wisconsin without registering the franchise with the Division.
10. Wis. Stat. § 553.27(4) provides that no franchise subject to registration with the Division may be sold in this state unless a copy of an offering circular is provided to the prospective franchisee at least 14 days prior to the execution by the prospective franchisee of a franchise agreement or at least 14 days prior to the payment of any consideration to the franchisor or any affiliate of the franchisor, whichever first occurs.
11. Sold 4 U never provided offering circulars to the Sold 4 U franchisees.
12. Sold 4 U violated Wis. Stat. § 553.27(4) by failing to provide franchisees with offering circulars.

Therefore, the staff of the Bureau of Enforcement petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 553, Wis. Stats.

Dated this 10th day of October, 2013 in Madison, Wisconsin.



James H. Lackey, Jr.
Examiner
Bureau of Enforcement



Andrew J. Parrish
Staff Attorney
Bureau of Enforcement