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

In the matter of, LIMITLESS BOOT CAMP FRANCHISE, INC. and DAVID J. SIDOFF Respondents.	CONSENT ORDER TO CEASE AND DESIST AND IMPOSING ADMINISTRATIVE ASSESSMENT DFI Case No. S-239333 (FX)

I.

The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities ("Division"), having legal authority and jurisdiction to administer and enforce the Wisconsin Franchise Investment Law, Wis. Stats. Ch. 553 ("Ch. 553") and rules and orders promulgated thereunder, and having determined that this action is necessary and appropriate in the public interest and for the protection of investors, hereby enters this Order as follows:

II.

Division staff have presented evidence sufficient for the Administrator to make the following findings of fact and conclusions of law:

A. Findings of Fact

Respondents

1. Limitless Boot Camp Franchise, Inc. ("LBC") was a domestic corporation incorporated in Wisconsin on March 14, 2017 and became delinquent on January 1, 2019. At all times material, LBC had a principal business address of 3320 Cleveland Avenue, Plover, Wisconsin 54467 and its registered agent was United States Corporation Agents, Inc.

2. David J. Sidoff ("Sidoff") is an adult male resident of Wisconsin born in February 1982. Sidoff has a last known address of 3320 Cleveland Avenue, Plover, Wisconsin 54467. At all times material, Sidoff was the owner of LBC.

Conduct

3. LBC was a fitness studio offering "boot camp" style classes.

4. At no time has LBC, Sidoff, or any of their affiliates filed a franchise registration with the Division.

5. Between March and December 2017 Sidoff approached at least three Wisconsin residents about the opportunity to invest in a LBC franchise in exchange for an initial franchise fee ranging from $8,000 to $12,000 and subsequent monthly franchise payments ranging from $250 to $750.

Franchisee NZ

6. Franchisee NZ is an adult male resident of Wisconsin. Franchisee NZ came to know Sidoff through Sidoff's wife, who had attended high school with Franchisee NZ. Sidoff's wife introduced Sidoff and Franchisee NZ after Franchisee NZ expressed an interest in opening his own gym.

7. On or about March 14, 2017, LBC and Franchisee NZ entered into an oral agreement for Franchisee NZ to purchase an LBC franchise. Under the terms of the agreement:

    a. Franchisee NZ was granted the right to establish and operate an LBC location in Marshfield, Wisconsin;
    b. Franchisee NZ would pay LBC an initial franchisee fee of $12,000 to enjoy the use of the LBC system, as well as assistance from LBC and Sidoff;
    c. LBC would provide training to Franchisee NZ's staff and development assistance; and
    d. Franchisee NZ would pay royalty payments to LBC of $250 for the first month, $500 for the second month, and $750 for the third month and every month thereafter.

8. On or about June 28, 2017 LBC and Franchisee NZ entered to a second oral agreement for Franchisee NZ to purchase a second LBC franchise. This agreement granted Franchisee NZ the right to open a second LBC franchise in in Wisconsin Rapids, Wisconsin.

9. Pursuant to the terms of the oral franchise agreements, Franchisee NZ paid an initial franchise fee of $12,000 for the first franchise to LBC on or about March 14, 2017. Franchisee NZ paid an additional $8,000 as an initial franchise fee to LBC for the second franchise on or about June 28, 2017. Franchisee NZ paid both initial franchise fees to Sidoff and LBC by personal check.

10. Between March 14, 2017 and September 7, 2018, Franchisee NZ paid LBC approximately $19,621 in monthly royalty payments for the two LBC franchises in Marshfield and Wisconsin Rapids.

11. At no time did LBC or Sidoff provide Franchisee NZ with a copy of the offering circular for LBC.

Franchisee BF

12. Franchisee BF is an adult female resident of Wisconsin. Franchisee BF was previously a personal training client of a colleague of Sidoff's at another fitness studio, which Sidoff owned.

13. On or about March 13, 2017, LBC and Franchisee BF entered into a written agreement for Franchisee BF to purchase an LBC franchise. Under the terms of the agreement:
    a. LBC granted Franchisee BF the right to use "the Marks and Licensed Methods in connection with the establishment and operation of TBT franchise…";
    b. Franchisee BF would pay LBC an initial franchise fee of $10,000 to "enjoy the use of the franchisor's system, name, as well as assistance for a limited time.." and represented "payment for the initial grant of rights to use the Marks and Licensed Method…" The initial franchise fee was non-refundable;
    c. LBC would provide training to Franchisee BF's staff, development assistance, an operations manual covering "the ordering of supplies, manufacturing, processing and stocking and other operating an in-store marketing techniques."; and
    d. Franchisee BF would pay royalty payments to LBC of $750.00 per month; and
    e. LBC would have substantial control over Franchisee BF's advertising efforts and content.

14. Pursuant to the terms of the franchise agreement, Franchisee BF paid an initial franchise fee of $10,000 to LBC on or about March 15, 2017.

15. Between March 15, 2017 and September 22, 2017, Franchisee BF paid LBC approximately $2,420 in monthly royalty payments for her LBC franchise.

16. At no time did LBC or Sidoff provide Franchisee BF with a copy of the offering circular for LBC.

Franchisee AP

17. Franchisee AP is an adult female resident of Wisconsin.

18. On or about December 28, 2017, LBC and Franchisee AP entered into a written agreement for Franchisee AP to purchase an LBC franchise. Under the terms of the agreement:

    a. LBC granted Franchisee AP the right to use "the Marks and Licensed Methods in connection with the establishment and operation of TBT franchise…";
    b. Franchisee AP would pay LBC an initial franchise fee of $10,000 to "enjoy the use of the franchisor's system, name, as well as assistance for a limited time…"

and represented "payment for the initial grant of rights to use the Marks and Licensed Methods…." The initial franchise fee was non-refundable;

c. LBC would provide training to Franchisee AP's staff, development assistance, and an operations manual covering "the ordering of supplies, manufacturing, processing, and stocking and other operating and in-store marketing techniques.";
d. Franchisee AP would pay royalty payments of $750 per month;
e. LBC would have substantial control over Franchisee AP's advertising efforts and content.

19. Pursuant to the terms of the franchise agreement, Franchisee AP paid an initial franchise fee of $10,000 to LBC on or about December 28, 2017.

20. Between December 27, 2017 and June 17, 2018, Franchisee AP paid LBC approximately $1,000 in monthly royalty payments for her LBC franchise.

21. At no time did LBC or Sidoff provide Franchisee AP with a copy of the offering circular for LBC.

B. Conclusions of Law

<u>Legal Authority and Jurisdiction</u>

22. The Administrator has legal authority and jurisdiction over the conduct described above, pursuant to Ch. 553 and the rules and orders promulgated thereunder.

23. Limitless Boot Camp, Inc. and Sidoff were a franchisor pursuant to Wis. Stat. § 553.03(6).

24. The agreements between Limitless Boot Camp, Inc. and Franchisees NZ, BF, and AP are franchises pursuant to Wis. Stat. § 553.03(4)(a).

25. Pursuant to Wis. Stat. § 553.21, no person may sell any franchise in Wisconsin unless the franchise has been registered under Ch. 553 or is exempted under Wis. Stats. §§ 553.23, 553.235 or 553.25.

26. Pursuant to Wis. Stat. § 553.27(4), no franchise subject to registration under Ch. 553 may be sold in Wisconsin 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 any binding franchise or other agreement with the franchisor or any affiliate of the franchisor, whichever first occurs,

Violations

27. As described above in ¶¶ 1-21, Limitless Boot Camp, Inc. and Sidoff violated Wis. Stat. § 553.21 when they sold a franchise in Wisconsin without being registered with the Division.

28. As described above in ¶¶ 1-21, Limitless Boot Camp and Sidoff violated Wis. Stat. § 553.27(4) when they sold a franchise in Wisconsin without providing a copy of the offering circular for Limitless Boot Camp, Inc. to Franchisees NZ, BF and AP at least 14 days prior to the execution of the franchise agreement.

III.

In view of the above findings of fact and conclusions of law, the Administrator deems it necessary and appropriate in the public interest and for the protection of investors, and pursuant to its legal authority and jurisdiction under Ch. 553, to issue the following orders and notices:

A. Consent Orders issued pursuant to Wis. Stat. § 553.60

(a) IT IS ORDERED that RESPONDENTS, their agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of any RESPONDENT, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of franchises unless and until such franchises are registered or are exempted from registration under Ch. 553 or successor statute.

(b) IT IS ORDERED that an administrative assessment in the amount of $1,500 is imposed on DAVID SIDOFF, pursuant to Wis. Stat. § 553.605. Such payment shall be made payable to the Wisconsin Department of Financial Institutions and shall be remitted to the Division no later than 60 calendar days from the date of issuance of this Order.

(c) PLEASE TAKE NOTICE that this order is effective upon the date it is made and filed, pursuant to Wis. Stat. § 553.58(5). This order and made and filed on the date of its issuance.

B. Service of Order

(d) IT IS FURTHER ORDERED that this order shall be sent promptly by certified mail to each party named in the order at his or her last known address or to the party's attorney of record, or shall be personally served upon the party or the party's attorney of record, pursuant to Wis. Stat. § 553.58(5), Wis. Admin. Code §§ DFI-Sec. 36.01 and DFI-Sec. 8.06. This order shall also be served upon the office of the Division pursuant to Wis. Stat. § 553.73.

(e) PLEASE TAKE NOTICE that the date of the service of this order is the date it is placed in the mail. If the order is served personally, the date of service is the date personal service is completed upon the Respondents or the Respondent's attorney. You are advised that any willful violation of an Order issued by the Division under Ch. 553 is a criminal offense punishable under the provisions of Wis. Stat. § 553.52.

C. Notifications

(f) IT IS NOTICED that this Order consented to by RESPONDENTS prohibits RESPONDENTS from making or causing to be made any offers or sales of franchises to any person or entity in Wisconsin, per the terms of the consent orders issued pursuant to Wis. Stat. § 553.60.

(g) IT IS FURTHER NOTICED that this Order is effective on the date it is issued. RESPONDENTS are advised that any willful violation of an Order issued by the Division under Ch. 553 is a criminal offense punishable under the provisions of Wis. Stat. § 553.52.

EXECUTED at Madison, Wisconsin, this 30th day of July, 2019.

Leslie M. Van Buskirk

Leslie M. Van Buskirk
Administrator

Division of Securities
State of Wisconsin
Department of Financial Institutions
4822 Madison Yards Way
Madison, Wisconsin 53705

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

In the matter of,

LIMITLESS BOOT CAMP FRANCHISE, INC. and
DAVID J. SIDOFF

Respondents.

WAIVER AND CONSENT
TO ORDER

DFI Case No. S-239333 (FX)

The undersigned Respondents, LIMITLESS BOOT CAMP FRANCHISE, INC., by David J. Sidoff, as its owner, and DAVID J. SIDOFF, individually, having decided not to contest the issuance of the attached Order, hereby waive their right to a hearing with respect to this matter, including waiving findings of fact and conclusions of law as may otherwise be required for the Order, and hereby consent to the issuance of the Order.

Respondents hereby acknowledge that, in exchange for Respondents' voluntary consent and agreement to cease and desist from further violations of Ch. 553, payment of administrative assessment, and other conditions as described in the attached Order, the Division agrees to forgo further legal action, and to resolve this matter by issuance of the attached Order.

The undersigned Respondents understand and agree that the attached Order shall prohibit Respondents from offering and selling franchises in the State of Wisconsin except as allowed and described by the terms of the Order.

The undersigned Respondents understand the Order, when signed by the Administrator of the Division of Securities, is effective on the date issued and that a willful violation of an Order signed by the Administrator is a criminal offense pursuant to Wis. Stat. § 553.52.

DAVID J. SIDOFF, individually

DAVID J. SIDOFF, as

Owner of LIMITLESS BOOT CAMP FRANCHISE, INC.

State of WIS.)
County of PORTAGE)
Subscribed before me this

26 day of JULY, 2019.

Notary Public
My commission is permanent/~~expires~~ _____

NOTARY PUBLIC STATE OF WISCONSIN

State of Wisconsin

Department of Financial Institutions

Tony Evers, **Governor** | Kathy Blumenfeld, **Secretary**

AFFIDAVIT OF SERVICE
AND COMPLIANCE WITH WIS. STAT. § 551.611

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, KATHERINE CLEMENTI, first being duly sworn, depose and state:

1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.

2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by certified mail upon Respondent Limitless Boot Camp Franchise, Inc. at its last known business address of 3320 Cleveland Avenue, Plover, Wisconsin 54467 and Respondent's counsel Attorney Maris Rushevics at his business address of 1077 Wilshire Boulevard, Stevens Point, Wisconsin 54481:

   i. A copy of the Signed Waiver and Consent to Order, Signed Consent Order or Cease and Desist and Imposing Administrative Assessment, DFI Case No. S-239333 (EX); and

   ii. A copy of this Affidavit of Service.

3. In compliance with Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07, I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Katherine Clementi
KATHERINE CLEMENTI

State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me

This 30th day of July, 2019.

Lindsay Fedler

Notary Public, State of Wisconsin
My commission is permanent.

(Notary Seal)

LINDSAY FEDLER
NOTARY PUBLIC
STATE OF WISCONSIN

State of Wisconsin

Department of Financial Institutions

Tony Evers, **Governor** | Kathy Blumenfeld, **Secretary**

AFFIDAVIT OF SERVICE
AND COMPLIANCE WITH WIS. STAT. § 551.611

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, KATHERINE CLEMENTI, first being duly sworn, depose and state:

1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.

2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by certified mail upon Respondent David J. Sidoff at his last known address of 3320 Cleveland Avenue, Plover, Wisconsin 54467 and Respondent's counsel Attorney Maris Rushevics at his business address of 1077 Wilshire Boulevard, Stevens Point, Wisconsin 54481:

   i. A copy of the Signed Waiver and Consent to Order, Signed Consent Order or Cease and Desist and Imposing Administrative Assessment, DFI Case No. S-239333 (EX); and

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I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Katherine Clementi
KATHERINE CLEMENTI

State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me

This 30th day of July, 2019.

Lindsay Fedler

Notary Public, State of Wisconsin
My commission is permanent.

(Notary Seal)

LINDSAY FEDLER
NOTARY PUBLIC
STATE OF WISCONSIN