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Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
OF THE STATE OF CALIFORNIA

In the Matter of:	)	FIL ORG ID.: 321941
	)	
THE COMMISSIONER OF BUSINESS OVERSIGHT,	)	CITATIONS INCLUDING:
	)	
Complainant,	)	(1) DESIST AND REFRAIN ORDER;
	)	
v.	)	(2) ASSESSMENT OF ADMINISTRATIVE PENALTIES; AND
	)	
JUMP SWIM SCHOOLS FRANCHISE CORPORATION (a Texas Corporation); IAN MICHAEL CAMPBELL (an individual)	)	(3) CLAIM FOR ANCILLARY RELIEF
	)	
Respondents.	)	
	)	
	)	
	)	

Complainant, the Commissioner of Business Oversight for the State of California (Commissioner) is informed and believes, and based on such information and belief, finds as follows:

**I.**  
**Introduction**

1. Jump Swim Schools Franchise Corporation (Jump Swim) is a Texas Corporation formed on April 17, 2016. Jump Swim is not authorized by the California Secretary of State to

1 conduct business in California. Jump Swim’s principal business addresses were 815 Brazos Street,  
2 Suite 500, Austin Texas 78701, and 2500 Dallas Parkway, Suite 300, Plano, Texas 75093.

3 2. Jump Swim’s parent company is Swim Loops Holdings Pty Ltd., (Swim Loops) an  
4 Australian corporation with a principal place of business at 50 Cavill Avenue, Level 5E, Surfers  
5 Paradise, Queensland 4217 Australia. Swim Loops was formed in March of 2016 and franchised  
6 and operated Jump Swim schools in Australia and other countries.

7 3. Jump Loops Pty. Ltd. (Jump Loops) is an Australian corporation with a principal  
8 place of business in Queensland, Australia. Jump Loops was formed on March 1, 2016, and  
9 franchised and operated Jump Swim schools in Australia. Swim Loops is Jump Loop’s parent  
10 company.

11 4. Ian Michael Campbell (Campbell) is Jump Swim’s president and has been Swim  
12 Loops’ director since formation.

13 5. James Hurry (Hurry) is Jump Swim’s manager for commercial leasing.

14 6. James Rice (Rice) is Jump Swim’s head of franchisee recruitment and head of  
15 international sales and manager for United States sales. He is also the international franchise sales  
16 manager and national area manager for Swim Loops.

17 7. Jump Swim offered and sold a turnkey, boutique swim school concept to California  
18 franchisees. According to documents filed with the Commissioner, Jump Swim “offers, sells, and  
19 provides individual and group swimming instruction, lessons and development programs for infants  
20 and children under the Jump! Swim Schools trademark and brand.”

21 8. The Commissioner is the head of the Department of Business Oversight  
22 (Department) and is responsible for administering and enforcing the California Franchise  
23 Investment Law (FIL) (Corp. Code, § 31000 et seq.),<sup>1</sup> and registering the offer and sale of  
24 franchises in California.

25 9. Under section 31110, a franchisor must first register a franchise with the Department  
26 before it offers and sells franchises in California, unless it is otherwise exempt. To register a  
27 franchise, a franchisor must file a Uniform Franchise Disclosure Document (FDD) in accordance

28 <sup>1</sup> All further statutory references are to the Corporations Code unless otherwise indicated.

1 with sections 31111 and 31114, with the Department for review and await approval in the form of  
2 an Order Granting Effectiveness of Franchise Registration (Order).

3 10. The disclosure requirements of the FIL are intended to avoid misrepresentations and  
4 to provide prospective franchisees with material facts upon which to make an informed decision to  
5 purchase a franchise, as stated in section 31001.

6 **II.**  
7 **Statement of Facts**

8 **A.**

9 Jump Swim offered and sold unregistered franchises to at least two California franchisees

10 *The Northern California Franchisees*

11 11. In early January of 2019, S.U., a California resident, saw an advertisement on  
12 Facebook regarding an opportunity to open a Jump Swim school. S.U. inquired about the potential  
13 opportunity.

14 12. From January 7, 2019 to February 14, 2019, S.U. and his wife, R.S. (the Northern  
15 California franchisees) negotiated the purchase of a franchise with Campbell, on behalf of Jump  
16 Swim. During this time, Campbell personally visited the franchisees in Northern California.  
17 According to Campbell, if \$80,000.00 was paid up front, the outlet could easily open in April of  
18 2019, ahead of the busy summer season. Jump Swim agreed to provide the Northern California  
19 franchisees a full refund if the parties could not find a suitable location within 90 days.

20 13. On January 7, 2019, Campbell, on behalf of Jump Swim provided the Northern  
21 California franchisees with a fillable excel spreadsheet with potential financial projections. The  
22 template projected that the Northern California franchisees would earn over \$1.4 million in profits  
23 over the next 5 years and included monthly cash flow projections.

24 14. On February 14, 2019, the Northern California franchisees signed the franchise  
25 agreement. On March 2, 2019, they wired \$80,000.00 to Jump Swim.

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The La Jolla Franchisees

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2 15. On January 2, 2019, T.K., a California resident, saw an advertisement on Facebook  
3 regarding an opportunity to open a Jump Swim school. T.K. inquired about the potential  
4 opportunity.

5 16. From January 2, 2019 through April of 2019, T.K. and her husband, P.K. (the La  
6 Jolla franchisees) negotiated the purchase of a franchise with Campbell and Rice, on behalf of Jump  
7 Swim Schools. During this time, Campbell personally visited the La Jolla franchisees in San  
8 Diego, California.

9 17. On January 27, 2019, Campbell, on behalf of Jump Swim provided the La Jolla  
10 franchisees with a fillable excel spreadsheet with potential financial projections. The template  
11 projected that the La Jolla franchisees would earn over \$1.5 million in profits over the next 5 years  
12 and included monthly cash flow projections.

13 18. On April 18, 2019, the La Jolla franchisees signed the franchise agreement and  
14 wired a \$15,000.00 partial initial franchise fee payment to Jump Swim.

Jump Swim’s California Franchise Registration

15  
16 19. Jump Swim first filed an application for franchise registration with the Department  
17 on March 18, 2019. The application, as initially filed was incomplete and deficient under section  
18 31116. Jump Swim did not cure the deficiencies until May 13, 2019.

19 20. On August 9, 2019, the Department granted the Order approving Jump Swim’s  
20 franchise registration.

B.

Jump Swim and Campbell made material misrepresentations, failed to disclose material  
21 information, and failed to promptly amend the franchise registration application filed with the  
22 Commissioner in violation of sections 31200 and 31201

23  
24 21. The Commissioner finds that Jump Swim and Campbell caused the following  
25 violations of sections 31200 and 31201:

Local Government Permits

26  
27 22. Jump Swim sells turnkey franchises, to be handed over to the franchisee ready to  
28 operate. Once the franchisee leases a location (subject to Jump Swim’s approval), and pays the

1 \$125,000.00 Initial Equipment and Image Package, Jump Swim installs an above ground pool with  
2 a spectator viewing deck and is otherwise responsible for the build out.

3 23. Item 11 of the FDD, and sections 2, 3, and 7 in the Franchise Agreement, state that  
4 Jump Swim will “review and approve the site for the operation of your Jump! Swim School . . . .  
5 We will consult with government agencies and legal professional to evaluate and determine that the  
6 location for your Jump! Swim Schools Facility permits the establishment and operation of a Jump!  
7 Swim Schools Business and that you possess the necessary license and authority to operate a  
8 business that offers and provides services and goods offered by a Jump! Swim Schools Business.”

9 24. On April 24, 2019, Jump Swim’s manager for commercial leasing, James Hurry  
10 personally visited the La Jolla franchisees to review and approve a potential location to open their  
11 Jump Swim school. After visiting the site and reviewing the layout specifications, Hurry approved  
12 the location, represented that it would be suitable for a swim school, and recommended that they  
13 sign the lease.

14 25. In June of 2019, Hurry advised the La Jolla franchisees that their installment  
15 payment of \$30,000.00 was due. The La Jolla franchisees wired \$30,000.00 to Jump Swim on July  
16 5, 2019.

17 26. On August 27, 2019, Hurry informed the La Jolla franchisees that the remaining  
18 \$10,000.00 of the initial investment was due.

19 27. On September 3, 2019, the La Jolla franchisees signed a \$12,000.00 per month lease  
20 with the landlord of the previously approved location.

21 28. On September 12, 2019, the La Jolla franchisees learned from the local health  
22 department that it would not approve a permit for the indoor swimming pool due to the city’s deck  
23 and size requirements for public pools, which conflicted with the leased space layout and load-  
24 bearing pillar in the leased space.

25 29. On September 18, 2019, the franchisees requested to cancel the franchise agreement  
26 and obtain a refund of the \$45,000.00 in fees paid. To date, Jump Swim has not provided the La  
27 Jolla franchisees with any refunds.

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1                    Failure to Provide Franchisees with Material Information

2                    30.        The Northern California franchisees briefly met with Campbell in person in  
3 California in 2019. The Northern California franchisees subsequently independently searched for  
4 potential locations from February of 2019 through November of 2019, resulting in two potential  
5 locations. However, the landlords in both locations needed more information regarding the  
6 expected water usage, chemicals, and potential water damage to the leased location. The Northern  
7 California franchisees requested this information from Jump Swim, whose parent company and  
8 affiliate, Swim Loops and Jump Loops, franchised over 90 franchises in Australia. Jump Swim  
9 failed to provide this information to the Northern California franchisees, resulting in their inability  
10 to secure a lease.

11                  31.        In November of 2019, the Northern California franchisees requested to cancel their  
12 franchise agreement and obtain a refund of the \$80,000.00 previously paid. To date, Jump Swim  
13 has not provided the Northern California franchisees with any refunds.

14                    Financial Performance Representations

15                  32.        Jump Swim represented in Item 19 of its May 13, 2019 FDD filed with the  
16 Commissioner that it did not make financial performance representations to franchisees. Contrary  
17 to this assertion, Jump Swim provided both the Northern California franchisees and the La Jolla  
18 franchisees with financial performance representations in January of 2019 in violation of section  
19 31200.

20                    Fee Deferral

21                  33.        Based on its financial statements submitted to the Department on May 13, 2019,  
22 Jump Swim had \$558.00 in cash and \$23,156.05 in total equity as of December 31, 2018.

23                  34.        On June 6, 2019, the Department issued a letter informing Jump Swim that due to its  
24 poor financial condition, it was required to defer receipt of initial fees from franchisees until it  
25 performed all of its pre-opening obligations, and the franchised outlet was open for business.

26                  35.        Jump Swim responded on June 15, 2019, amending its application to confirm that it  
27 would not accept initial franchise fees until it performed its pre-opening obligations and the  
28 franchised outlet was open for business. Jump Swim failed to disclose that it had previously sold

1 two unregistered franchises and had accepted \$95,000.00 in initial fees from California franchisees.  
2 Jump Swim did not contact the franchisees to provide a refund of the unlawfully obtained initial  
3 fees.

4 36. Notwithstanding this representation to the Commissioner, on August 27, 2019, Jump  
5 Swim advised the La Jolla franchisees that the remaining \$10,000.00 of the initial fee was due and  
6 outstanding, even though the franchisees were still building out their franchise, had not yet signed a  
7 lease for the location, or opened their doors to the public.

8 Corporate Liquidation and Australian Competition and Consumer Commission Action

9 37. Under Australia corporate law, a creditor may make an application to the Court for  
10 an order winding up a company.

11 38. On April 18, 2019, a Swim Loops creditor filed a wind-up application. On May 20,  
12 2019, an administrator was appointed over Swim Loops to investigate the company's financial  
13 position for consideration of creditors. On July 22, 2019, the Supreme Court in Queensland,  
14 Australia appointed an administrator to wind-up and liquidate Swim Loops Holdings Pty Ltd. (the  
15 Swim Loops Creditor Action).

16 39. On May 8, 2019, a Jump Loops creditor filed a wind-up application. On July 5,  
17 2019, an administrator was appointed over Jump Loops to liquidate the company (the Jump Loops  
18 Creditor Action).

19 40. On June 7, 2019, the Australian Competition and Consumer Commission (ACCC)  
20 obtained an Australian court order freezing Swim Loops, Jump Loops, and Campbell's assets.

21 41. On June 17, 2019, the ACCC issued a Concise Statement against Jump Loops, Swim  
22 Loops, and Campbell (Respondents). The ACCC alleged that from 2016 through 2019,  
23 Respondents misrepresented to at least 90 franchisees that their swim schools would be open within  
24 12 months of signing a franchise agreement, when Respondents did not have reasonable grounds  
25 for making that statement. The ACCC further alleged significant harm to franchisees that paid  
26 significant sums to Respondents and had not opened a school within the specified time period, or at  
27 all. The ACCC alleged that some of the delays were due to franchisees inability to obtain permits  
28 and approval from local building authorities (collectively, the ACCC Action).

1 42. Swim Loops is disclosed in Item 1 of Jump Swim’s FDD, and Campbell is disclosed  
2 in Item 2 of Jump Swim’s FDD. Under sections 31123 and 31200, Jump Swim was required to  
3 both initially disclose and promptly amend its FDD to disclose material litigation against the  
4 franchisor, affiliates, and officers in Item 3, and list any bankruptcy proceedings in Item 4 of the  
5 FDD filed with the Commissioner.

6 Franchise Seller Disclosure Form

7 43. Applicants are further required to identify, on a Franchise Seller Disclosure Form, all  
8 persons who will solicit, offer, or sell franchises in California. Applicants are required to disclose  
9 whether any salesperson:

10 Has an administrative, criminal or material civil action pending against that  
11 person alleging a violation of franchise, antitrust of [sic] securities law, or  
12 alleging fraud, unfair or deceptive practice or any comparable allegations?

13 44. Jump Swim submitted a Franchise Seller Disclosure Form for Campbell on July 15,  
14 2019. The above question was answered “No.” That representation was false. As of July 15, 2019,  
15 Campbell was a named respondent in the ACCC Action, and was subject to a court ordered asset  
16 freeze for alleged misrepresentation and omissions made to Australian franchisees.

17 **III.**  
18 **Citations and Desist and Refrain Order**  
19 **Violation of Corporations Code Sections 31110, 31200, and 31201**

20 45. Corporations Code section 31110 provides:

21 On and after April 15, 1971, it shall be unlawful for any person to offer  
22 or sell any franchise in this state unless the offer of the franchise has been  
23 registered under this part or exempted under Chapter 1 (commencing  
with Section 31100) of this part.

24 46. Corporations Code section 31123 provides:

25 A franchisor shall promptly notify the commissioner in writing, by an  
26 application to amend the registration, of any material change in the  
27 information contained in the application as originally submitted, amended  
28 or renewed. The commissioner may by rule further define what shall be  
considered a material change for such purposes, and the circumstances



1 under which a revised offering prospectus must accompany such  
2 application.

3 47. Corporations Code section 31200 provides:

4 It is unlawful for any person willfully to make any untrue statement of a  
5 material fact in any application, notice or report filed with the commissioner  
6 under this law, or willfully to omit to state in any such application, notice,  
7 or report any material fact which is required to be stated therein, or fail to  
8 notify the commissioner of any material change as required by Section  
9 31123.

10 48. Corporations Code section 31201 provides:

11 It is unlawful for any person to offer or sell a franchise in this state by  
12 means of any written or oral communication not enumerated in Section  
13 31200 which includes an untrue statement of a material fact or omits to  
14 state a material fact necessary in order to make the statements made, in the  
15 light of the circumstances under which they were made, not misleading.

16 49. Based upon the foregoing findings, the Commissioner is of the opinion that Jump  
17 Swim and Campbell, in violation of section 31110, offered and sold at least two unregistered,  
18 nonexempt franchises in California in 2019.

19 **CITATION A:** Jump Swim and Campbell offered and sold an unregistered, nonexempt  
20 franchise to the Northern California franchisees on February 14, 2019.

21 **CITATION B:** Jump Swim and Campbell offered and sold an unregistered, nonexempt  
22 franchise to the La Jolla franchisees on April 18, 2019.

23 50. Based upon the foregoing findings, the Commissioner is of the opinion that Jump  
24 Swim willfully made untrue statements of material fact in applications filed with the Commissioner,  
25 omitted to state material facts which were required to be stated in an application, and failed to  
26 promptly amend the application filed with the Commissioner as required under section 31123, in  
27 violation of section 31200, including the following:

28 **CITATION C:** Jump Swim misrepresented in Item 11 of the FDD filed with the  
Commissioner on May 13, 2019 that it would consult with government agencies and legal  
professionals to evaluate and ensure that franchisees are able to get the necessary permits and

1 licenses to operate a business. Contrary to this assertion, Jump Swim approved the La Jolla outlet  
2 without researching whether the local building counsel would approve the plans.

3 **CITATION D:** Jump Swim misrepresented in Item 19 of the FDD filed with the  
4 Commissioner on May 13, 2019, that it does not make financial performance representations to  
5 franchisees. Contrary to this assertion, Jump Swim provided the Northern California franchisees  
6 with financial performance projections on January 7, 2019, and the La Jolla franchisees on January  
7 27, 2019.

8 **CITATION E:** On June 15, 2019, Jump Swim amended its application to agree that it would  
9 not collect initial fees from franchisees until all pre-opening obligations were met and the franchise  
10 was open for business. Contrary to this assertion, on August 27, 2019, Jump Swim informed the La  
11 Jolla franchisees that the remaining \$10,000.00 initial franchise fee was due and outstanding, even  
12 though the La Jolla franchisee had not yet signed a lease, had not completed the build out, and had  
13 not opened its doors to the public.

14 **CITATION F:** On June 15, 2019, Jump Swim amended its application to agree that it  
15 would not collect initial fees from franchisees until all pre-opening obligations were met and the  
16 franchise was open for business. Jump Swim failed to disclose to the Commissioner that it had  
17 already sold two unregistered, nonexempt locations in California and collected \$125,000.00 in fees  
18 from California franchisees. Jump Swim did not attempt to provide refunds to the California  
19 franchisees.

20 **CITATION G:** Jump Swim failed to disclose its affiliate, Jump Loops, in Item 1 of the FDD  
21 filed on May 13, 2019, and instead affirmatively misrepresented that there were no affiliates.

22 **CITATION H:** Jump Swim failed to disclose the Swim Loops Creditor Action in the FDD  
23 filed with the Commissioner on May 13, 2019 and failed to promptly amend the FDD to disclose  
24 that a liquidator was appointed on May 20, 2019.

25 **CITATION I:** Jump Swim failed to disclose the Jump Loops Creditor Action in the FDD  
26 filed with the Commissioner on May 13, 2019, and failed to promptly amend the FDD to disclose  
27 that a liquidator was appointed on July 5, 2019  
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1           **CITATION J:** Jump Swim failed to amend the FDD filed with the Commissioner on May  
2 13, 2019 to disclose the ACCC action.

3           **CITATION K:** Jump Swim failed to disclose the ACCC Action and asset freeze against  
4 Campbell on the franchise seller disclosure form filed with the Commissioner on July 15, 2019, and  
5 instead, misrepresented that there were no actions pending against Campbell.

6           51.       Based on the foregoing findings, the Commissioner is of the opinion that Jump Swim  
7 and Campbell made untrue statements of material facts to franchisees, and omitted material facts  
8 necessary in order to make the statements made, in the light of the circumstances under which they  
9 were made, not misleading in violation of section 31201, including the following:

10           **CITATION L:** In January of 2019, Jump Swim and Campbell misrepresented to the  
11 Northern California franchisees that if they paid \$80,000.00 up front, their outlet could open by  
12 April of 2019, ahead of the busy summer season. Contrary to this assertion, Jump Swim and  
13 Campbell did not provide the franchisee with the support needed to lease and open a location.

14           **CITATION M:** Jump Swim and Campbell misrepresented to the Northern California  
15 franchisees that they could cancel their franchise agreement and obtain a full refund. Contrary to  
16 this assertion, Jump Swim and Campbell ignored the franchisees’ request for a full refund.

17           **CITATION N:** On August 27, 2019, Jump Swim advised the La Jolla franchisees that their  
18 \$10,000.00 of the initial franchise fee due and outstanding. Jump Swim failed to inform the La Jolla  
19 franchisees that they had sold them an unregistered franchise and that they could not lawfully collect  
20 the outstanding fee until the outlet was open for business.

21           Pursuant to section 31406, Jump Swim Schools Franchise Corporation and Ian Michael  
22 Campbell are hereby cited and ordered to desist and refrain from further violations of the Franchise  
23 Investment Law, including sections 31110, 31200, and 31201.

24           52.       This order is necessary, in the public interest, for the protection of franchisees and  
25 consistent with the purposes, policies and provisions of the FIL.

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**IV.**  
**Administrative Penalties**

53. Corporations Code section 31406 provides:

(a) If, upon inspection or investigation, based upon a complaint or otherwise, the commissioner has cause to believe that a person is violating any provision of this division or any rule or order promulgated pursuant to this division, the commissioner may issue a citation to that person in writing describing with particularity the basis of the citation. Each citation may contain an order to desist and refrain and an assessment of an administrative penalty not to exceed two thousand five hundred dollars (\$2,500) per violation and shall contain reference to this section, including the provisions of subdivision (c). All penalties collected under this section shall be deposited in the State Corporations Fund.

(b) The sanctions authorized under this section shall be separate from, and in addition to, all other administrative, civil, or criminal remedies.

(c) If within 60 days from the receipt of the citation, the person cited fails to notify the commissioner that the person intends to request a hearing as described in subdivision (d), the citation shall be deemed final.

(d) Any hearing under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(e) After the exhaustion of the review procedures provided for in this section, the commissioner may apply to the appropriate superior court for a judgment in the amount of the administrative penalty and order compelling the cited person to comply with the order of the commissioner. The application shall include a certified copy of the final order of the commissioner and shall constitute a sufficient showing to warrant the issuance of the judgment and order.

54. Pursuant to section 31406, Jump Swim is hereby assessed and ordered to pay an administrative penalty of \$35,000.00, which consists of a penalty of \$2,500.00 for each of the 14 violations of the FIL recited above.

55. No later than 60 days from the date of this order, the administrative penalties in the amount stated above shall be made in the form of a cashier's check payable to the Department of Business Oversight and submitted to the attention of: Accounting-Enforcement Division, California Department of Business Oversight, 1515 K Street, Suite 200, Sacramento, California 95814. Notice of the payment shall be sent to Danielle A. Stoumbos, Senior Counsel at Danielle.Stoumbos@dbo.ca.gov when the payment is made.

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56. This order is necessary, in the public interest, for the protection of investors and franchisees and consistent with the purposes, policies and provisions of the FIL.

V.

**Attorney’s Fees and Investigative Expenses**

57. Corporations Code section 31408 provides:

(a) If the commissioner determines it is in the public interest, the commissioner may include in any administrative action brought under this division, including a stop order, a claim for ancillary relief, including, but not limited to, a claim for rescission, restitution or disgorgement or damages on behalf of the persons injured by the act or practice constituting the subject matter of the action, and the administrative law judge shall have jurisdiction to award additional relief. The person affected may be required to attend remedial education, as directed by the commissioner.

(b) In an administrative action brought under this part the commissioner is entitled to recover costs, which in the discretion of the administrative law judge may include any amount representing reasonable attorney's fees and investigative expenses for the services rendered, for deposit into the State Corporations Fund for the use of the Department of Corporations.

58. Pursuant to section 31408, Jump Swim shall pay attorney’s fees and investigative expenses to the Department of Business Oversight in the amount of \$5,000.00, or according to proof. The amount awarded for attorney’s fees and expenses shall be made in the form of a cashier’s check payable to the Department of Business Oversight and submitted to the attention of: Accounting-Enforcement Division, California Department of Business Oversight, 1515 K Street, Suite 200, Sacramento, California 95814. Notice of the payment shall be sent to Danielle A. Stoumbos, Senior Counsel at Danielle.Stoumbos@dbo.ca.gov when the payment is made.

VI.

**Ancillary Relief**

59. **Remedial Education**. Within 60 days of the date of this order, pursuant to section 31408, all officers, directors, shareholders, and persons employed by Jump Swim who assist in preparing franchise registrations or who assist in franchise selling are hereby required to attend remedial education, which shall consist of 8 hours of franchise law training courses per person

1 offered by instructors that are acceptable to the Commissioner. Proof of attendance of the remedial  
2 education shall be submitted to Danielle A. Stoumbos, Senior Counsel at  
3 Danielle.Stoumbos@dbo.ca.gov no later than ninety (90) days from the date of this order.

4 60. **Notice of Violation.** Jump Swim is hereby ordered to comply with the provisions of  
5 section 31303 and Title 10 of the California Code of Regulations, Rule 310.303 within 60 days of  
6 this order, by submitting a proposed notice of violation to the Department for review and approval  
7 to Anne Marie Wong, Securities Regulation Division, One Sansome Street, San Francisco,  
8 California 94104. Upon the Commissioner’s approval, Jump Swim is hereby ordered to mail a  
9 copy of the approved notice of violation to each California franchisee who purchased a franchise in  
10 California from August 17, 2016 to the present. Jump Swim is hereby ordered to submit proof that  
11 the notice of violation has been sent to each franchisee within 30 days after the Department  
12 approves the notice of violation.

13 61. **Rescission and Restitution Order.** Jump Swim is ordered to rescind all franchise  
14 agreements entered into with California franchisees between August 17, 2016 through the present  
15 (the California Franchisees) and provide restitution (in the amount of all fees collected) to each  
16 California Franchisee, including, but not limited to \$80,000.00 to the Northern California  
17 franchisees, and \$45,000.00 to the La Jolla franchisees.

18 62. This order is necessary, in the public interest, for the protection of investors and  
19 franchisees and consistent with the purposes, policies and provisions of the Franchise Investment  
20 Law.

21 Dated: May 18, 2020  
22 Los Angeles, California

23 MANUEL P. ALVAREZ  
24 Commissioner of Business Oversight

25 By \_\_\_\_\_  
26 MARY ANN SMITH  
27 Deputy Commissioner  
28 Enforcement Division