

The Commissioner may issue summarily a stop order denying the effectiveness of or suspending or revoking effectiveness of any registration if he finds ANY OF THE FOLLOWING:

(1) There has been a failure to comply with any of the provisions of this law or the rules and regulations of the Commissioner;

(2) The offer or sale of the franchise would constitute misrepresentation to, or deceit or fraud of the purchasers;

(3) Any person identified in the application has been convicted of an offense under subsection (5) of § 349, or is subject to an order, or has had a civil judgment entered against him as described in subsection (5) of § 349, and the involvement of this person in the sale or management of the franchise creates an unreasonable risk to prospective franchisees;

(4) THE PROSPECTUS OR ANY AMENDMENT THERETO IS INCOMPLETE OR INACCURATE IN ANY MATERIAL RESPECT;

(5) THE PROSPECTUS OR ANY AMENDMENT THERETO INCLUDES ANY FALSE OR MISLEADING STATEMENT OF A MATERIAL FACT OR OMITS TO STATE ANY MATERIAL FACT REQUIRED TO BE STATED THEREIN OR NECESSARY TO MAKE THE STATEMENTS THEREIN NOT MISLEADING;

(6) ANY PERSON IN THIS STATE IS ENGAGING IN OR ABOUT TO ENGAGE IN FALSE, FRAUDULENT, DECEPTIVE PRACTICES, OR ANY DEVICE, SCHEME, OR ARTIFICE TO DEFRAUD IN CONNECTION WITH THE OFFER OR SALE OF THE FRANCHISE;

(7) THE FINANCIAL CONDITION OF THE FRANCHISOR AFFECTS OR WOULD AFFECT THE ABILITY OF THE FRANCHISOR TO FULFILL OBLIGATIONS UNDER THE FRANCHISE OR OTHER AGREEMENT AND THE FRANCHISOR IS UNABLE OR UNWILLING TO COMPLY WITH, OR HAS FAILED TO COMPLY WITH, ANY RULE, ORDER, OR ADMINISTRATIVE DETERMINATION OF THE COMMISSIONER ISSUED UNDER THE PROVISIONS OF SECTION 351; OR

~~(8) --THE--FRANCHISOR'S--ENTERPRISE--OR--METHOD--OF BUSINESS--INCLUDES--OR--WOULD--INCLUDE--ACTIVITIES--WHICH--ARE ILLEGAL--WHERE--PERFORMED--~~

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If a stop order is not in effect under this subtitle, registration of the offer of franchises automatically becomes effective at 12 o'clock noon of the [fifteenth] THIRTIETH business day after the filing of the application for registration or the last amendment to it, or at an earlier time as the Commissioner determines.

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