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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
whether there has been a violation of the
Securities Act of Washington by:

GOLD COIN, INC.;
JAMES EMMERLING,

Respondents.

Order Number S-07-220-08-FO01

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL
ORDER TO CEASE AND DESIST

8 THE STATE OF WASHINGTON TO:

Gold Coin, Inc.
James Emmerling (aka Jim Emmerling)

9
10 On June 5, 2008, the Securities Administrator for the State of Washington issued a Statement
11 of Charges and Notice of Intent to Enter an Order to Cease and Desist S-07-220-08-SC02, hereinafter
12 "Statement of Charges," against Gold Coin, Inc. and James Emmerling. The Statement of Charges,
13 together with a Notice of Opportunity to Defend and Opportunity for Hearing, hereinafter referred to as
14 "Notice of Opportunity for Hearing," and an Application for Adjudicative Hearing, hereinafter referred to
15 as "Application for Hearing," were personally served on James Emmerling and Gold Coin, Inc. on
16 June 11, 2008.

17 The Notice of Opportunity for Hearing advised James Emmerling and Gold Coin, Inc. that a
18 written application for an administrative hearing on the Statement of Charges must be received within
19 twenty days from the date of receipt of the notice. James Emmerling and Gold Coin, Inc. each failed to
20 request an administrative hearing within twenty days of receipt of the Statement of Charges, either on the
21 Application for Hearing provided or otherwise.

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23 ENTRY OF FINDINGS OF FACT AND
24 CONCLUSIONS OF LAW AND FINAL ORDER
25 TO CEASE AND DESIST

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

1 The Securities Administrator will therefore adopt as final the findings of fact and conclusions of
2 law as set forth in the Statement of Charges.

3 **FINDINGS OF FACT**

4 Respondents

5 1. Gold Coin, Inc. (“Gold Coin”) is a Washington corporation established on April 10, 2006
6 and currently doing business in Washington. Gold Coin was formed for the purpose of purchasing the
7 assets of Emerald Coin Vending, Inc., operating a full service vending machine company, and offering
8 business opportunities to operate a vending machine business.

9 2. James Emmerling (“Emmerling”), also known as Jim Emmerling, is a Washington resident
10 who is the owner, president, and registered agent of Gold Coin.

11 **NATURE OF THE CONDUCT**

12 Background

13 3. Emerald Coin Vending, Inc. (“Emerald Coin”) is a Washington corporation that was formed
14 on December 18, 1998. Emerald Coin was owned and operated by Jason D. Nelson (“Nelson”), a
15 Washington resident, from 1998 to 2006. Emerald Coin Vending, Inc. began as a full service vending
16 machine company. In 2002, Emerald Coin Vending, Inc. began offering business opportunities to operate
17 a vending machine business. Nelson formed Emerald Coin LLC, a Washington limited liability company,
18 on January 9, 2002. Emerald Coin LLC is a shell company that was formed to hold a business
19 opportunity license. Jason Nelson and Emerald Coin were licensed to sell business opportunities from
20 January 15, 2002 and January 15, 2004, and from February 18, 2005 to February 18, 2008.

21 4. In an agreement dated May 5, 2006, Nelson sold “the business commonly known as Emerald
22 Coin Vending, Inc.” to Emmerling for \$ 1,075,000. Emmerling paid \$250,000 in cash, gave Nelson a

1 promissory note of \$315,000, and financed the remainder of the purchase price with a bank loan. The
2 assets purchased included the notes receivables from individuals who had purchased business
3 opportunities from Nelson. Emerald Coin LLC was not sold.

4 5. Between May 2006 and November 2006, Nelson remained involved as an employee or
5 consultant in the vending business which continued to do business under the name Emerald Coin
6 Vending. Nelson trained Emmerling on how to operate the vending business and sell business
7 opportunities.

8 Sale of Unregistered Business Opportunities

9 6. Between May 2006 and January 2007, Emmerling and Gold Coin dba Emerald Coin
10 Vending were the sellers of a business opportunity to own and operate a vending machine business.
11 Purchasers of the business opportunity received vending machine equipment, third-party locations for
12 vending machines, and training on how to operate a vending machine business. The purchase price varied
13 based on the type and number of vending machines and locations purchased. Emmerling and Gold Coin
14 offered financing for the business opportunity.

15 7. Both Nelson and Emmerling placed classified advertisements for the business opportunity in
16 the Seattle Times and the Seattle Post Intelligencer. These advertisements ran daily from May 1, 2006
17 through January 22, 2007. Emmerling also placed advertisements in the Tacoma News Tribune, which
18 ran daily from the period of June 10, 2006 through January 22, 2007. The advertisements offered a
19 vending business with full size machines, vending routes and prime locations, and training and financing.
20 The contact phone numbers provided in the advertisements rang into either Nelson's or Emmerling's cell
21 phone.

Business Opportunity Registration

13. In December 2006, Emmerling applied to the Securities Division for a business opportunity license for Gold Coin. Emmerling did not disclose that he had sold at least two business opportunities prior to filing his application for a business opportunity license.

14. The Disclosure Document filed by Emmerling during the registration process stated the following:

3. Neither the Seller, nor any individual listed above:

....

B. Has, at any time during the previous ten (10) years, been held liable in a civil action resulting in a final judgment or has settled out of court any civil action or is a party to any civil action involving allegations of fraud (including but not limited to, a violation of any franchise or business opportunity law or unfair or deception practices law, embezzlement, fraudulent conversion, misappropriation of property, or restraint [of] trade; or any civil action which was brought by a present or former Purchaser-Investor and which involves or involved the business opportunity relationship.

C. Is subject to any currently effective state or federal agency or court injunctive or restrictive order, or is a party to a proceeding currently pending in which such order is sought, relating to or affecting business opportunity activities or the Seller/Purchaser-Investor relationship, or involving fraud (including but not limited to, a violation of any franchise or business opportunity law or unfair or deceptive practices law), embezzlement, fraudulent conversion, misappropriation of property, or restraint of trade.

15. Based on the registration materials provided, the Securities Division granted a one-year business opportunity license to James Emmerling and Gold Coin, Inc. on January 23, 2007. The business opportunity licensed expired on January 23, 2008.

16. After the business opportunity license was granted on January 23, 2007, Emmerling did not amend the Disclosure Document on file with the Securities Division.

1 activities and included allegations of fraud. In addition, Respondents failed to disclose that they had
2 sought a restrictive order through the civil action.

3 4. James Emmerling and Gold Coin, Inc. committed unlawful acts under
4 RCW 19.110.120(1)(a); RCW 19.110.120(1)(c) and RCW 19.110.120(1)(d), the provisions of the
5 Business Opportunity Fraud Act which make it unlawful to make any misleading statement or omit to
6 state a material fact in connection with the sale of a business opportunity, or to engage in any act, practice,
7 or course of business which operates or would operate as a fraud or deceit upon any person, or to file any
8 document with the Securities Division which contains untrue or misleading information. Respondents
9 violated RCW 19.110.120(1)(a) by providing purchasers of the business opportunity with a Disclosure
10 Document that omitted material information required by RCW 19.110.070. Respondents violated
11 RCW 19.110.120(1)(c) and RCW 19.110.120(1)(d) when they failed to disclose that business
12 opportunities were sold prior to the granting of the business opportunity license. Respondents further
13 violated RCW 19.110.120(1)(c) and RCW 19.110.120(1)(d) when they filed a Disclosure Document with
14 the Securities Division that failed to disclose that James Emmerling and Gold Coin, Inc. were parties in a
15 civil action involving allegations of fraud and fraudulent conversion and relating to or affecting business
16 opportunity activities; and failed to disclose that they had sought a restrictive order in the litigation.

17
18 **FINAL ORDER**

19 Based upon the foregoing and finding it in the public interest:

20 It is hereby ORDERED that Respondents James Emmerling and Gold Coin, Inc. shall cease
21 and desist from offering or selling business opportunities in violation of RCW 19.110.050(1), the
22 registration section of the Business Opportunity Fraud Act of Washington.

1 It is hereby ORDERED that Respondents James Emmerling and Gold Coin, Inc. shall cease
2 and desist from violating RCW 19.110.050(5), the provision of the Business Opportunity Fraud Act of
3 Washington requiring the holder of a business opportunity license to amend registration whenever there
4 is a material change in the information required to be disclosed under RCW 19.110.070.

5 It is hereby ORDERED that Respondents James Emmerling and Gold Coin, Inc. shall cease
6 and desist from violating RCW 19.110.120, the unlawful acts provision of the Business Opportunity
7 Fraud Act of Washington.

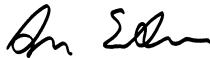
8 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE**

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10 DATED and ENTERED this 10th day of July, 2008.

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13 _____
14 MICHAEL E. STEVENSON
15 Securities Administrator

16 Approved by:

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18 _____
19 SUZANNE SARASON
20 Chief of Compliance and Exams

21 Presented by:

22 

23 _____
24 JILL M. VALLEY
25 Enforcement Attorney