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

IN THE MATTER OF DETERMINING) Order No.: S-12-0911-12-CO01
whether there has been a violation of the)
Business Opportunity Fraud Act of Washington) CONSENT ORDER
by:)
)
Mark Trotter; Nicholas Franklyn Yates; FHV)
Holdings Corp., formerly known as YoNaturals,)
Inc.,)
Respondents.)

INTRODUCTION

Pursuant to the Business Opportunity Fraud Act of Washington, RCW 19.110, the Securities Division of the Department of Financial Institutions and Mark Trotter, Nicholas Yates, and FHV Holdings Corp., formerly known as YoNaturals, Inc., do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondents neither admits nor denies the Findings of Fact and Conclusions of Law stated below.

FINDINGS OF FACT

Respondents

1. FHV Holdings Corp. (“FHVHC”), previously named YoNaturals Incorporated (“YoNaturals”), with a place of business at 4380 La Jolla Village Drive Suite 230, San Diego, California 92122, is a California corporation that is in the business of selling vending machines and finding locations for the vending machines it sells. On August 20, 2010, YoNaturals changed its name to FHV Holdings Corp.
2. Mark Trotter (“Trotter”), a California resident, is the president, secretary, and sole shareholder of FHVHC.
3. Nicholas Yates (“Yates”), a California resident, was a marketing executive and registered agent for FHVHC.

Nature of the Offering

4. Between 2007 and 2009, Respondents offered and sold a business opportunity to own and operate a business as a vending machine operator in Washington. Respondents sold the business opportunity to at least four Washington residents. Respondents provided vending machine equipment, secured third-party locations for the machines, provided a variety of services, and offered training on how to operate a vending machine business. The cost of the business opportunity varied based on the number of machines and locations the purchaser wanted. FHVHC advertised its business opportunity on the internet, including on the website www.yonaturals.com.

5. Respondents provided Washington purchasers with a document entitled Supply Agreement. The Supply Agreement provided that FHVHC would sell vending machines to the purchaser, find locations for the purchaser’s vending machines, deliver and install the purchaser’s vending machines at each location. The Supply Agreement

1 restricted the purchaser's ability to use the "YoNaturals," "YoZone," and other related trademarks and trade names.
2 The Supply Agreement also contained the requirement that purchasers would not "engage in the distribution,
3 promotion, marketing or sale of any goods or products that compete with [FHVHC's products]." The Supply
4 Agreement outlined the charges for FHVHC's products and services. Between 2007 and 2009, FHVHC charged
5 \$4,300 - \$8,600 per machine, \$1,500 for a "publicity program" and press releases, \$500 for installation and training,
6 and \$500 - \$800 for location acquisition. FHVHC marketed the vending businesses by issuing press releases, filming
7 and distributing vending operator testimonials, and working with a cable news network to create a televised interview
8 of Mark Trotter.

7 **Failure to Provide Disclosure Document**

8 6. In connection with the offer and sale of the YoNaturals business opportunity, Respondents failed to provide
9 the prospective purchasers with a disclosure document as required by RCW 19.110.070.

10 **Registration Status**

11 7. Respondents are not currently registered to sell their business opportunities in the state of Washington and
12 have not previously been so registered.

13 **Other Actions**

14 8. On February 24, 2006, the Federal Court of Australia entered a judgment against Nicholas Yates for
15 misleading and deceptive conduct regarding the operation of pre-paid phone card and vending machine
16 distributorships.

17 9. On June 6, 2006, the US District Court for the Western District of Texas entered a Final Judgment and Order
18 for Permanent Injunction and Monetary Relief against Mark Trotter. Trotter was the subject of an action involving
19 the alleged violation of the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003, and the
20 Texas Electronic Mail Solicitation Act, and the Deceptive Trade Practices-Consumer Protection Act in connection
21 with sending unsolicited e-mail messages containing false, misleading, or deceptive information.

22 **Misrepresentations and Omissions**

23 10. Respondents failed to provide purchasers of their business opportunity with the requisite business opportunity
24 disclosure document. Respondents therefore failed to provide material information regarding their business
25 opportunity, including but not limited to, the total number of business opportunities sold or leased, the number of
failures of business opportunities sold or leased, and financial statements.

11. Respondents failed to disclose the litigation history of Trotter and Yates as required by RCW 19.110.070.

Based upon the above Findings of Fact, the following Conclusions of Law are made:

1 **CONCLUSIONS OF LAW**

2 1. The offer or sale of business opportunities described above constitute the offer and/or sale of a business
3 opportunity as defined in RCW 19.110.020(1) and RCW 19.110.030(1).

4 2. The offer or sale of said business opportunities is in violation of RCW 19.110.050 because no registration for
5 such offer and/or sale by Respondents was on file with the Securities Administrator when offers and/or sales occurred.

6 3. The offer and/or sale of said business opportunities were in violation of RCW 19.110.070 and RCW
7 19.110.120 because Respondents failed to provide purchasers with a disclosure document.

8 **CONSENT ORDER**

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

10 IT IS AGREED AND ORDERED that Respondents, their agents and employees each shall cease and desist
11 from offering or selling business opportunities in violation of RCW 19.110.050, the registration section of the
12 Business Opportunity Fraud Act of the state of Washington.

13 IT IS FURTHER AGREED AND ORDERED that Respondents, their agents and employees each shall cease
14 and desist from violating RCW 19.110.070, the disclosure document section of the Business Opportunity Fraud Act of
15 the state of Washington.

16 IT IS FURTHER AGREED AND ORDERED that Respondents, their agents and employees each shall cease
17 and desist from violating RCW 19.110.120, the anti-fraud section of the Business Opportunity Fraud Act of the state
18 of Washington.

19 IT IS FURTHER AGREED AND ORDERED that Respondents shall reimburse the Securities Division
20 \$3,000 for its costs of investigation payable prior to the Securities Division's entry of this Consent Order.

21 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Order.

22 IT IS FURTHER AGREED that Respondents enter into this Consent Order freely and voluntarily and with
23 full understanding of its terms and significance.

24 IT IS FURTHER AGREED that in consideration of the foregoing, Respondents waive their rights to a hearing
25 in this matter and judicial review of this order.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

SIGNED this 21st day of May 2012.

Signed by:

Signed by:

FHV Holdings Corp.

By _____/s/_____

Mark Trotter, CEO

_____/s/_____

Mark Trotter, Individually

Signed by:

_____/s/_____

Nicholas Yates, Individually

Approved for Entry by:

Approved for Entry by:

_____/s/_____

Gary Duvall, Attorney for FHVHC and Mark Trotter
WSBA No. 7617

_____/s/_____

Barry Kurtz, Attorney for FHVHC and Mark Trotter
CA Bar No. 57544

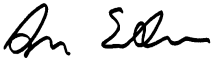
SIGNED and ENTERED this 5th day of June 2012.



William M. Beatty
Securities Administrator

Approved by:

Presented by:



Suzanne Sarason
Chief of Enforcement

Drew Stillman
Enforcement Attorney

Reviewed by:



Jack McClellan
Financial Legal Examiner Supervisor