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

IN THE MATTER OF DETERMINING) Order No.: S-12-1079-13-CO01
whether there has been a violation of the)
Business Opportunity Fraud Act of Washington) CONSENT ORDER
by:)
)
Nutrition Without Borders, LLC dba H.U.M.A.N.)
Healthy Vending,)
Respondent.)

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INTRODUCTION

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On February 22, 2013, the Securities Administrator of the Securities Division of the Department of Financial Institutions issued a Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, Order Number S-12-1079-13-SC01, against Nutrition Without Borders, LLC dba H.U.M.A.N. Healthy Vending and Sean Kelly. Pursuant to the Business Opportunity Fraud Act of Washington, RCW 19.110, the Securities Division of the Department of Financial Institutions and Respondent, Nutrition Without Borders, LLC dba H.U.M.A.N. Healthy Vending, do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondent neither admits nor denies the Findings of Fact and Conclusions of Law as stated below.

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FINDINGS OF FACT

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Respondent

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1. Nutrition Without Borders, LLC dba H.U.M.A.N. Healthy Vending (“NWB”), is a Nevada limited liability company engaged in the sale, licensing, and distribution of vending machines, advertising, and related goods and services. NWB was formed in 2008 and maintains its principal place of business in Culver City, California. NWB is an affiliate of H.U.M.A.N. Healthy Vending, LLC (“HHV”), which is a California limited liability company registered with several states to engage in the sale of vending machine franchises. HHV was formed in 2011.

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Nature of Offering

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2. Between 2008 and 2012, NWB offered and sold an opportunity to own and operate a business as a vending machine operator in Washington. NWB sold the business opportunity to at least four Washington residents, who paid a combined total of over \$400,000. For this payment, NWB provided vending machine equipment, secured third-party locations for vending 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 purchased. NWB advertised its products and services on the internet, largely through its website www.healthyvending.com.

1 3. NWB entered into operations and supply agreements with four Washington purchasers. Among other things,
2 the agreements provided that NWB would sell vending machines to the respective purchasers, deliver and install the
3 vending machines, provide training, and find locations for the vending machines. For one vending machine, NWB
4 charged Washington residents from \$5,999 to \$9,499. For a three-day “business building” training program, NWB
5 charged Washington residents \$1,500. For vending machine delivery and installation, NWB charged Washington
6 residents from \$500 to \$600 per machine. For location finding services, NWB had two different fee structures that it
7 applied to Washington residents. Before 2012, for location finding services, NWB charged purchasers of five
8 machines \$6,000, purchasers of ten machines \$10,000, and purchasers of twenty machines \$20,000. Later, NWB
9 charged purchasers of five or fewer machines \$7,000 and charged purchasers of more than five machines an
10 additional \$1,200 for every machine beyond the fifth.

11 *Failure to Provide Disclosure Document*

12 4. NWB failed to provide prospective business opportunity purchasers with a disclosure document as required
13 by RCW 19.110.070.

14 Misrepresentations and Omissions

15 5. NWB failed to provide material information regarding their business opportunity, including but not limited to
16 business opportunity disclosure documents and the information required therein, namely identification of officers and
17 related companies, identification of other persons responsible for NWB’s business opportunity activities, litigation
18 and bankruptcy history of the officers and companies, the total number of business opportunities sold, the number of
19 failures of business opportunities sold, and financial statements.

20 Registration Status

21 6. Respondent, Nutrition Without Borders, LLC dba H.U.M.A.N. Healthy Vending, is not currently registered to
22 sell business opportunities in the state of Washington and has not previously been so registered.

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

24 **CONCLUSIONS OF LAW**

25 1. The offer or sale of vending machine businesses as described above constitutes the offer and/or sale of a
business opportunity as defined in RCW 19.110.020 and RCW 19.110.030(1).

2. The offer or sale of said business opportunities was in violation of RCW 19.110.050 because no registration
for such offer and/or sale is on file with the Securities Administrator, state of Washington.

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

1 4. The offer and/or sale of said business opportunities were in violation of RCW 19.110.120(1)(a) because
2 Respondent made untrue or misleading statements of material fact and/or omitted to state material facts in connection
3 with the offer, sale, or lease of a business opportunity in Washington.

4 **CONSENT ORDER**

5 Based upon the foregoing,

6 IT IS AGREED AND ORDERED that Respondent, Nutrition Without Borders, LLC dba H.U.M.A.N.
7 Healthy Vending, its agents and employees each shall cease and desist from offering or selling business opportunities
8 in violation of RCW 19.110.050.

9 IT IS FURTHER AGREED AND ORDERED that Respondent, Nutrition Without Borders, LLC dba
10 H.U.M.A.N. Healthy Vending, its agents and employees each shall cease and desist from violating RCW 19.110.070.

11 IT IS FURTHER AGREED AND ORDERED that Respondent, Nutrition Without Borders, LLC dba
12 H.U.M.A.N. Healthy Vending, its agents and employees each shall cease and desist from violating RCW 19.110.120.

13 IT IS FURTHER AGREED that Respondent, Nutrition Without Borders, LLC dba H.U.M.A.N. Healthy
14 Vending, shall reimburse the Securities Division \$5,000 for its costs of investigation, payable prior to the Securities
15 Division's entry of this Consent Order.

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

17 IT IS FURTHER AGREED that Respondent, Nutrition Without Borders, LLC dba H.U.M.A.N. Healthy
18 Vending, enters into this Consent Order freely and voluntarily and with full understanding of its terms and
19 significance.

20 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent, Nutrition Without Borders,
21 LLC dba H.U.M.A.N. Healthy Vending, waives its right to a hearing in this matter and judicial review of this order.

22 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

23 SIGNED the __4th__ day of _____October_____ 2013.

24 Signed by:
25 Nutrition Without Borders, LLC

Approved as to Form by:
_____/s/_____
Brandon Garrett, CA Bar No. 276419
Counsel for Respondent

1 SIGNED and ENTERED this 10th day of October 2013.

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6 William M. Beatty
Securities Administrator

7 Approved by:

Presented by:

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10 Suzanne Sarason
Chief of Enforcement

Drew Stillman
Enforcement Attorney

11 Reviewed by:

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14 Jack McClellan
Financial Legal Examiner Supervisor