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

IN THE MATTER OF DETERMINING ) Order No.: S-17-2300-18-SC01  
Whether there has been a violation of the )  
Business Opportunity Fraud Act of ) STATEMENT OF CHARGES AND  
Washington by: ) NOTICE OF INTENT TO ENTER  
Randy Galten and Anna Galten d/b/a Eat This! ) ORDER TO CEASE AND DESIST  
Respondent )

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8 THE STATE OF WASHINGTON TO: Randy Galten and Anna Galten d/b/a Eat This!

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**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents Randy Galten and Anna Galten d/b/a Eat This! have each violated the Business Opportunity Fraud Act of Washington. The Securities Administrator believes those violations justify the entry of an order under RCW 19.110.150 against the Respondents to cease and desist from such violations. The Securities Administrator finds as follows:

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**TENTATIVE FINDINGS OF FACT**

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**Respondents**

1. Randy Galten is a resident of Post Falls, Idaho and Anna Galten's husband. Randy Galten has done business as Eat This! with Anna Galten since at least November 2015. In 2017 and 2018, Randy Galten offered an unregistered business opportunity to Washington residents that enables purchasers to start a business selling Italian style frozen fruit desserts ("Italian ice").

2. Anna Galten is a resident of Post Falls, Idaho and Randy Galten's wife. Anna Galten has done business as Eat This! with Randy Galten since at least November 2015. In 2017 and 2018, Anna

1 Galten offered an unregistered business opportunity to Washington residents that enables purchasers to start  
2 a business selling Italian ice.

### 3 **Nature of the Conduct**

4 3. In 2017, Randy and Anna Galten (collectively, “Eat This!”) offered three packages of  
5 varying quantities of equipment, supplies, training, and ongoing support to Washington residents that enable  
6 a purchaser to begin a business selling Italian ice. Eat This! offered this business opportunity through an  
7 advertisement on Craigslist, and through the website eatthisitalianice.com (the “website”). These  
8 unregistered offers included misleading statements concerning the return on investment that purchasers  
9 could expect, and the income that purchasers could expect.

10 4. In September 2017, Eat This! offered its business opportunity through an advertisement that  
11 it placed in Craigslist’s Tri Cities, Washington listings. The advertisement was captioned “Italian Ice  
12 Turnkey Business Opportunity - \$14900.” The advertisement represented that “[w]e are offering you the  
13 opportunity to start your own business turnkey style. We will provide you all of the equipment and product  
14 to get started. You [provide a business name], we provide the rest.” The advertisement further stated that  
15 purchasers “could get started for as low as \$14,900.”  
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17 5. In 2017 and 2018, Eat This! used the website to offer its business opportunity to the general  
18 public. The website represented that purchasers would be buying a “turn-key business.” The website also  
19 listed the business opportunity’s benefits, including: high profit margins, flexible marketing, and the  
20 provision of all materials and training necessary to start the business.

21 6. The website indicated that Eat This! offered its business opportunity in three packages: the  
22 silver package, the gold package, and the platinum package. Each package included a ten-foot by ten-foot  
23 booth, a serving cart, the base ingredients needed to make Italian ice, training, and “lifetime support.” The  
24 gold package offered larger sizes and quantities of some of the business opportunity’s components than did  
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1 the silver package. Likewise, the platinum package offered larger sizes and quantities of some of the  
2 business opportunity's components than did the gold package.

3 7. Each package included a marketing plan from Eat This! as part of the training that was  
4 included with the business opportunity. The marketing plan would be based upon conversations between  
5 Eat This! and the purchaser. Eat This! would provide advice concerning marketing and advertising an  
6 Italian ice business based upon the purchaser's circumstances and Eat This!'s own experience operating an  
7 Italian ice business.

8 8. Eat This! made misleading statements on its website concerning the return on investment that  
9 a purchaser could expect. The website stated that purchasers buying the silver package would receive  
10 enough base ingredients to make 344 gallons of Italian ice, and produce a return on investment of  
11 approximately \$12,900. The website stated that purchasers buying the gold package would receive enough  
12 base ingredients to make 1,032 gallons of Italian ice, and produce a return on investment of approximately  
13 \$38,700. The website stated that purchasers buying the platinum package would receive enough base  
14 ingredients to make 2,580 gallons of Italian ice, and produce a return on investment of approximately  
15 \$96,750. The website further stated that purchasers of the platinum package would double their investment.  
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17 9. The website, however, failed to disclose the basis for these statements concerning return on  
18 investment. The website did not disclose that the statements were not based on actual purchasers'  
19 experiences as Eat This! has not, as of February 2018, sold its business opportunity to anyone. The website  
20 did not disclose any of the analysis that Eat This! performed in arriving at the return on investment  
21 statements, nor any of the assumptions that Eat This! made as part of that analysis. For example, the  
22 website failed to state that a purchaser would have to sell all of the Italian ice included in his package in  
23 order to receive the return associated with the purchased package.  
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10. The website also failed to disclose certain factors that may prevent purchasers from receiving the returns appearing on the website. Such factors include competition from other Italian ice vendors and from vendors of other cold desserts, the seasonal nature of the business, as well as factors that may vary among purchasers, such as insurance, and fulfilling licensure requirements, including business licenses and food safety and handling certifications.

11. Eat This! made misleading statements concerning the income that a purchaser of its business opportunity could expect. The website stated that the business opportunity could replace a purchaser's existing job. Eat This! had no basis to support this statement because, as of February 2018, no one has purchased its business opportunity.

#### **Registration Status**

12. Randy and Anna Galten are not currently registered to sell their business opportunity in the State of Washington, and have not previously been so registered.

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

#### **CONCLUSIONS OF LAW**

1. The offer of business packages described above constitute the offer of a business opportunity in Washington as defined in RCW 19.110.020 and RCW 19.110.030.

2. The offer of said business opportunities violated RCW 19.110.050 because no registration for such offer is on file with the Securities Administrator.

3. The offer of said business opportunities violated RCW 19.110.120 because Randy and Anna Galten made misleading statements of material fact or omitted to state material facts in connection with the offer of business opportunities.



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Reviewed by:



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Robert Kondrat  
Financial Legal Examiner Supervisor