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

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IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Franchise Investment Protection Act of
Washington by:

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Vend Tech International, Inc.;

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Respondent.

Order No.: S-21-3169-21-CO01

CONSENT ORDER

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Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division and Respondent Vend Tech International, Inc. do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondent Vend Tech International, Inc. neither admits nor denies the Findings of Fact or Conclusions of Law as stated below.

FINDINGS OF FACT

Respondents

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1. Vend Tech International, Inc. d.b.a. Naturals2Go and All4U (collectively, "VTI"), is an Idaho corporation formed on April 30, 2013, with its principal place of business in Depew, New York. VTI is a vending machine franchise distributor that assists VTI franchisees with advertising, marketing, location assistance, and business strategies.

Registration Status

2. VTI is not, and has never been, registered to sell franchises in the state of Washington. There is no notification of exemption on file with the state of Washington.

3. VTI was registered to sell business opportunities in the state of Washington from April 17, 2014, until September 19, 2018, when its registration lapsed.

CONSENT ORDER

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

1 **Nature of the Conduct**

2 4. From September 20, 2018 to the present, Respondent VTI offered vending machine franchises
3 through its website at <https://www.vendtech.com>. Until August 2021, such website did not include any sales
4 exclusions or limitations for residents of Washington State.

5 5. VTI suggests, in substantial part, a marketing plan for its franchise buyers through both the
6 initial steps of a VTI franchise purchase and beyond the business launch phase. As stated in the Terms and
7 Conditions set forth in the VTI Purchase Agreement (“Terms and Conditions”), VTI provides purchasers with
8 training manuals that “apply to all phases of establishing and operating” an VTI business, a preliminary order
9 of business cards, pre-printed marketing brochures, and a one-year personalized business website.

10 6. Through its sale of vending machine franchises, VTI provides its franchise buyers with
11 extensive customer support, operational, technical, and managerial training, and marketing assistance as
12 outlined in the Terms and Conditions. VTI provides purchasers of a new business vending machine sales
13 package with an opportunity to participate in a three-day training session that covers “marketing, sales and
14 inventory management, product selection, equipment delivery and storage, machine operation, sales and
15 marketing techniques, product knowledge, locating ideas, best practices and business education.” Further, as
16 described in the Terms and Conditions, VTI provides on-site training wherein a professional trainer will teach
17 the franchisee how to install, set up, and operate the machine. Additionally, VTI’s customer services
18 department provides unlimited support and training through the Coaching and Mentoring Program known as
19 “CAMP.” As a part of CAMP, VTI assigns each new franchisee a “mentoring coach” to guide the purchaser
20 through the initial steps of the business and beyond the business launch phase, including product mapping.

21 7. VTI provides its franchise purchasers with a license to use its trademarks on vending machines
22 and marketing materials, which prominently feature VTI trademarks, thus substantially associating the
23 operation of a franchise purchaser’s business with VTI’s trademarks. As stated in the Terms and Conditions,

1 VTI grants its franchise purchasers a non-exclusive, royalty-free limited license to use the marks
2 NATURALS2GO, or ALL4U VENDING, subject to certain terms and conditions. In accordance with the
3 Terms and Conditions, VTI authorizes a franchise purchaser to use the above-referenced, licensed marks on
4 the exterior of the vending machines obtained from VTI and in the franchise purchaser's advertising materials,
5 including a VTI-provided, personalized marketing website.

6 8. In order to purchase a VTI franchise business package, which includes training, location
7 assistance, mentoring, and lifetime support, VTI charges a minimum fee of \$47,995.¹ As stated in the current
8 VTI Disclosures, VTI offers a series of business packages designed to accommodate varying investment
9 levels, with a minimum available package price for four MVP Vending Machines of \$47,995. Such vending
10 machines are used in the franchise purchaser's vending machine business, and the purchaser must pay in full
11 prior to the receipt of training services and delivery of the vending machines.

12 **Sales to Washington Residents**

13 9. On or about December 28, 2018, VTI sold a VTI Vending Machine Franchise to Washington
14 resident, K.B. Such franchise sale included ten VTI vending machines for a total of \$86,935. On or about
15 March 28, 2019, VTI sold four additional VTI vending machines to Washington resident, K.B., for a total of
16 \$37,460.

17 10. On or about July 12, 2021, VTI sold a VTI Vending Machine Franchise to a Washington LLC,
18 with at least one of the LLC's owners who is a Washington resident. This franchise sale included four VTI
19 vending machines for a total of \$47,995.

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¹ VTI may sell vending machines in quantities less than four, but those sales may not include the materials offered (such as training, location assistance, etc.) that are present when purchasing a VTI vending machine package.

1 11. The franchise sales included access to a coaching and mentoring program, a personalized
2 website, business cards, and tri-fold brochures, a three-day training course, contract templates for vending
3 proposals and agreements, and lifetime business coaching and support.

4 12. VTI provided franchise purchasers with a limited disclosure document containing information
5 regarding VTI's registration to offer business opportunities. The State of Washington previously approved
6 VTI's registration as a business opportunity in 2018. VTI's registration lapsed on September 20, 2018. Since
7 VTI's registration lapse, the State of Washington has not reviewed or approved any of VTI's associated
8 registration materials. However, VTI did not provide the above-referenced franchise purchasers with a
9 franchise disclosure document that complies with the guidelines adopted by the Federal Trade Commission
10 or the North American Securities Administrators Association.

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

12 **CONCLUSIONS OF LAW**

13 1. The offer or sale of vending machine packages and associated services, as described above,
14 constitutes the offer or sale of a franchise as defined in RCW 19.100.010(6), RCW 19.100.010(12), and RCW
15 19.100.010(17).

16 2. The offer or sale of said franchises was in violation of RCW 19.100.020 because no registration
17 for such offer or sale is on file with the Washington Securities Administrator.

18 3. The offer or sale of said franchises was in violation of RCW 19.100.080 because Vend Tech
19 International, Inc. failed to provide the franchisees with a franchise disclosure document prior to the sale of
20 the franchises.

21 **CONSENT ORDER**

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

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1 IT IS AGREED AND ORDERED that Vend Tech International, Inc., and its agents and employees
2 shall each cease and desist from offering or selling franchises in violation of RCW 19.100.020, the registration
3 section of the Franchise Investment Protection Act of the state of Washington.

4 IT IS FURTHER AGREED AND ORDERED that Vend Tech International, Inc., and its agents and
5 employees shall each cease and desist from any violation of RCW 19.100.080, the franchise disclosure
6 document section of the Franchise Investment Protection Act of the state of Washington.

7 IT IS FURTHER AGREED AND ORDERED that Vend Tech International, Inc., shall be liable for
8 and shall pay investigative costs of \$4,000 prior to the entry of this Consent Order.

9 IT IS FURTHER AGREED AND ORDERED that Vend Tech International, Inc., shall disclose this
10 Consent Order to prospective Washington State franchise and/or business opportunity purchasers.

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12 IT IS FURTHER AGREED AND ORDERED that this Consent Order shall constitute a full resolution
13 of all Vend Tech International, Inc. alleged violations of the Franchise Investment Protection Act of
14 Washington State as they relate to the unregistered sales disclosed to DFI during the course of its investigation
15 prior to the date of this Consent Order.

16 IT IS FURTHER AGREED AND ORDERED that Vend Tech International, Inc., agrees to provide a
17 copy of this Consent Order to those Washington State franchise and/or business opportunity purchasers
18 referenced in paragraphs 9 and 10 of this Consent Order within thirty days of the entry of this Consent Order.
19 Such Consent Order shall include a DFI-approved cover letter, with such letter to be approved prior to the
20 entry of this Consent Order.

21 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.
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1 IT IS FURTHER AGREED that Vend Tech International, Inc., enters into this Consent Order freely
2 and voluntarily and with a full understanding of its terms and significance.

3 IT IS FURTHER AGREED that in consideration of the foregoing, Vend Tech International, Inc.
4 waives its right to a hearing and to judicial review of this matter.

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6 Signed this 4th day of April, 2022

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8 Signed by:
9 Vend Tech International, Inc.

Approved as to form by:

10
11 By /s/

/s/

12 Name Heath Falzarano
13 Title President

Andrew Olek, Attorney for Respondent

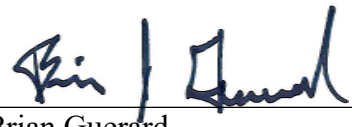
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17 SIGNED and ENTERED this 26th day of April, 2022

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21 _____
22 William M. Beatty
23 Securities Administrator

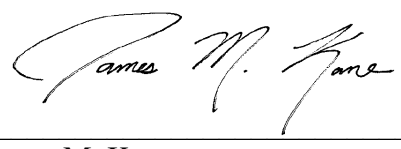
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Approved by:



Brian Guerard
Chief of Enforcement

Presented by:



James M. Kane
Financial Legal Examiner

Reviewed by:

Adam N. Yeaton
Acting FLE Supervisor