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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 Business  
Opportunity Fraud Act of Washington by:

Espresso Italia Marketing, Inc.; Shadd Vickery;  
Robert Ashcroft; Whitney Banks; their agents and  
employees,

Respondents.

SDO-86-02  
S-02-328-02-TO01

SUMMARY ORDER TO CEASE AND DESIST AND  
REVOKING REGISTRATION

Case No. 02-06-241  
11210

THE STATE OF WASHINGTON TO:

Espresso Italia Marketing, Inc.  
Shadd Vickery, President  
1301 North Congress Avenue, Suite 410  
Boynton Beach, Florida 33426

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Espresso Italia Marketing, Inc., Shadd Vickery, Robert Ashcroft, Whitney Banks, their agents and employees have violated the Business Opportunity Fraud Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 19.110.150 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondent to cease and desist from such violations would be hazardous to the investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

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**TENTATIVE FINDINGS OF FACT**

**I. Respondents**

1. Espresso Italia Marketing, Inc. (“Espresso Italia”) is a corporation with a principal place of business at 1301 North Congress Avenue, Suite 410, Boynton Beach, Florida 33426. Espresso Italia is in the business of selling an investment in espresso coffee equipment coupled with location services.

2. Shadd Vickery (“Vickery”) was the President of Espresso Italia at all times relevant to the matters set forth herein.

3. Robert Ashcroft (“Ashcroft”) was the Managing Director of Espresso Italia at all times relevant to the matters set forth herein.

4. Whitney Banks (“Banks”) was a salesperson for Espresso Italia at all times relevant to the matters set forth herein.

**II. Registration Status**

5. Espresso Italia is currently registered to sell its business opportunities in the state of Washington. Espresso Italia filed for a license to offer and sell their business opportunity in the State of Washington on September 5, 2001. File number 70011948 was approved and Espresso Italia was registered from September 6, 2001 until September 6, 2002, with a renewal extending their registration until September 6, 2003.

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**III. Nature of the Offering**

6. In June 2002, Espresso Italia placed the following advertisement in at least one Washington newspaper:

COFFEE DISTRIBUTOR  
High profit potential, short hrs.  
Low overhead. Company training.  
Pre-set accounts. Call now!  
\*\* 1-800-899-4503\*\*

7. On June 18, 2002 a Washington resident contacted Espresso Italia and requested information. Later that day, Banks contacted the Washington resident via telephone. Banks offered to sell to the Washington resident an investment in self-contained espresso machines that would be located on behalf of the purchaser by Espresso Italia.

8. Respondents, acting in concert and on behalf of one another, represented to the Washington resident that a purchaser would only be required to service the accounts in his area, and would not be required to sell anything. Further, the purchaser would not have to find any locations because Espresso Italia had an in-house locator service.

9. Banks told the Washington resident that Espresso Italia was offering 10 accounts for \$19,995. Each account consisted of a machine and a location. He described how each account could produce \$2,500 per year in income to the purchaser.

10. The Washington resident was told that a refundable fee of \$500 would secure a market area. Further, when the Washington resident requested information in writing, Banks explained that there was a charge of \$12.50 for overnight shipping and handling. The Washington resident charged the shipping and handling fee to his credit card. Ashcroft contacted the Washington resident later in the day to confirm the name and address on the request and to inquire if the Washington resident wanted to pay the \$500 to secure an area.

1 11. On June 20, 2002 the Washington resident received a package of information from Espresso Italia.  
2 The package contained a "Distributor Packet", which in turn, contained several color brochures. These  
3 brochures described the equipment and the distributor program. The packet also contained a Purchase Order  
4 Agreement and a document entitled "Information for Prospective Business Opportunity Purchasers Required by  
5 the Federal Trade Commission." This document failed to disclose material information regarding the business  
6 opportunity, including, but not limited to:

- 7 i. The disclosure document failed to state "Do not sign this contract if any spaces for agreed  
8 terms are blank. Do not sign this contract unless you receive a written disclosure. You are  
9 entitled to a copy of this contract an the time you sign it."
- 10 ii. The disclosure document failed to notify the prospective purchaser that he has seven days  
11 to cancel the contract for any reason.
- 12 iii. The disclosure document failed to provide written evidence that would substantiate the oral  
13 earnings claims made by Banks.
- 14 iv. Espresso Italia failed to provide the Washington resident with all material information on  
15 the financial status of the company, including, but not limited to a financial statement dated  
16 within 3 months of delivery.

17 12. On June 24, 2002 the Federal Trade Commission filed a civil action in United States District Court  
18 Southern District of Florida. Espresso Italia failed to amend its business opportunity registration application  
19 with the State of Washington disclosing this fact.

20 13. Espresso Italia failed to file the advertisements and marketing materials with the Securities  
21 Division seven days prior to publication to the Washington resident.

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

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**CONCLUSIONS OF LAW**

1. The offer and/or sale of espresso machine investment, as described above, constitutes the offer and/or sale of a business opportunity as defined in RCW 19.110.020(1).

2. The offer and/or sale of said business opportunity was made in violation of RCW 19.110.070 and RCW 19.110.120, the disclosure document and antifraud provisions of the Business Opportunity Fraud Act, respectively.

3. The offer and/or sale of said business opportunity was made in violation of RCW 19.110.050, the registration provision of the Business Opportunity Fraud Act.

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**EMERGENCY**

The Securities Administrator finds that an emergency exists, as the continued offering of the business opportunity described above in violation of RCW 19.110.070, RCW 19.110.120 and RCW 19.110.050 presents a threat to the investing public. The Securities Administrator therefore finds a summary order to cease and desist from those violations is in the public interest and necessary for the protection of the investing public.

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**SUMMARY ORDER**

Based on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that Respondents Espresso Italia Marketing, Inc., Shadd Vickery, Robert Ashcroft, Whitney Banks, their agents and employees, each cease and desist from violation of RCW 19.110.170 and RCW 19.110.120, the disclosure document and antifraud provisions, respectively, of the Business Opportunity Fraud Act.

It is further SUMMARILY ORDERED that Respondent Espresso Italia Marketing, Inc. cease and desist from violation of RCW 19.110.050, the registration provision of the Business Opportunity Fraud Act.

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**NOTICE OF INTENTION TO REVOKE REGISTRATION**

Based on the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to permanently revoke the effectiveness of the business opportunity registration of Espresso Italia Marketing, Inc., file number 70011948.

**AUTHORITY AND PROCEDURE**

This Order is entered pursuant to the provisions of RCW 19.110.150, and is subject to the provisions of Chapter 34.05 RCW. The Respondents may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order.

If the respondent does not request a hearing, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and make the summary order to cease and desist permanent as to that respondent.

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

DATED this 28th day of October 2002.



DEBORAH R. BORTNER  
Securities Administrator

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Presented by:

Presented by:

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Martin Cordell  
Financial Legal Examiner

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Susan H. Anderson  
Investigator

Approved By:

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Michael E. Stevenson  
Chief of Enforcement