

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING
5 Whether there has been a violation
6 of the Business Opportunity Fraud Act of the
7 State of Washington by:

8 Coastal Publications, its agents and employees,
9
10 Respondents.

SDO - 023 - 01

SUMMARY ORDER TO CEASE AND DESIST

Case No. 01-03-086

11 THE STATE OF WASHINGTON TO:

12 Coastal Publications
13 P.O. Box 3707
14 North Ft. Myers, FL 33918

15 **STATEMENT OF CHARGES**

16 Please take notice that the Securities Administrator of the State of Washington has reason to believe
17 that Respondents, Coastal Publications, its agents and employees, have violated the Business Opportunity
18 Fraud Act and that their violations justify the entry of an order of the Securities Administrator under RCW
19 19.110.150 to cease and desist from such violations. The Securities Administrator finds that delay in
20 ordering the Respondent to cease and desist from such violations would be hazardous to the investors and to
21 the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities
22 Administrator finds as follows:

23 **TENTATIVE FINDINGS OF FACT**

24 **I.**

Coastal Publications maintains a business address at P.O. Box 3707 North Ft. Myers, Florida.
Coastal Publications is the seller of an opportunity involving payment for in-home mail processing (the
“mail processing opportunity”).

1 II.

2 In early 2001, Respondent Coastal Publications mailed or caused to be mailed, a promotional
3 flyer concerning its “Home Mailer Program” mail processing opportunity to at least one resident of the
4 state of Washington. The flyer stated, in part:

5 Help Wanted! We Need Home Mail Processors *Immediately!*...
6 Thank you for your interest in our company. Would you stuff envelopes for \$1,000’s weekly? \$4
7 for each envelope you stuff with our brochures! If the answer is yes, our company has the right
8 opportunity for you. You can join the highest paid team of mail processors today...

9 The flyer provided that offerees were required to send to Respondent Coastal Publications a “one-
10 time” registration fee of \$35. The flyer also provided the following:

11 You’ll make money two ways with this program. You earn \$1.00 per envelope by processing pre-
12 stamped, pre-addressed envelopes through our direct response campaign. You earn \$20.00 per
13 order when customers order and re-order health products. Ultramax offers a 100% satisfaction
14 guarantee on everything we sell so you can be sure we offer only the best...

15 HELP SOLVE YOUR MONEY PROBLEMS. Eliminate worries about not having enough money
16 to pay bills and to do the things that you really would like to do. If you are looking for easy extra
17 income to relieve financial pressures, you owe it to yourself to investigate our offer. We are
18 looking for honest hardworking people who are looking for an easy way to earn extra income
19 from their home...

20 This program is designed to help people cash in with a company who needs home workers. Each
21 member is an independent home worker. You serve a company and get paid a good commission
22 for mailing the company’s brochures. This program has been perfected to such an extent that it
23 has become one of the most successful and profitable programs ever, causing it to be adopted and
24 used by many companies....

25 GUARANTEE: We welcome you to this program and extend to you our unconditional guarantee
26 that everything that we have said about this program is true and that you will be delighted with the
27 money you make. Our goals and continued success depend upon your 100% satisfaction with the
28 HOME MAILERS PROGRAM. Payments for all stuffed envelopes are sent to you *before* you
29 are required to mail them. Therefore, your PAYMENTS FOR ALL STUFFED ENVELOPES
30 ARE GUARANTEED!

1 No other disclosure document containing material information regarding the envelope stuffing
2 opportunity or Coastal Publications, including but not limited to a financial statement of the seller,
3 accompanied or was referenced in the flyer.

4 III.

5 Coastal Publications is not currently registered with the Washington Securities Division to offer
6 or sell business opportunities in the state of Washington and has not previously been so registered. It is in
7 the public interest that the offer and/or sale of the above-described mail processing opportunity in
8 violation of the Washington Business Opportunity Fraud Act cease.

9 An emergency exists in that further sales of unregistered business opportunities would be
10 hazardous to investors and the public of this state.

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

12 CONCLUSIONS OF LAW

13 I.

14 The offer and/or sale of the mail processing opportunity described in Tentative Findings of Fact I
15 and II constitutes the offer and/or sale of a business opportunity as defined in RCW 19.110.020(1).

16 II.

17 The offer and/or sale of the envelope stuffing opportunity described in Tentative Findings of Fact
18 I and II was made in violation of RCW 19.110.070 and RCW 19.110.120 because Respondent Coastal
19 Publications failed to provide prospective purchasers with a complete disclosure document containing
20 material information regarding the mail processing opportunity and the seller, including but not limited to
21 a financial statement of the seller.

22 III.

23 The offer and/or sale of the envelope stuffing opportunity as described in Tentative Findings of
24 Fact I through III was made in violation of RCW 19.110.050(1) because no business opportunity

1 registration has been made nor a permit issued to Respondent Coastal Publications for the offer and/or
2 sale of the business opportunity in this state.

3 The Securities Administrator finds that this action is necessary and appropriate in the public
4 interest and for the protection of investors and that the public safety and welfare require emergency
5 action.

6 SUMMARY ORDER

7 Based on the premises of the foregoing,

8 IT IS THEREFORE HEREBY SUMMARILY ORDERED That Coastal Publications, and its
9 agents and employees, each cease and desist from offering and/or selling business opportunities in
10 violation of RCW 19.110.070 and RCW 19.110.120, the disclosure document and antifraud provisions of
11 the Business Opportunity Fraud Act, respectively.

12 IT IS THEREFORE HEREBY SUMMARILY ORDERED That Coastal Publications, and its
13 agents and employees, each cease and desist from offering and/or selling business opportunities in
14 violation of RCW 19.110.050(1), the registration requirement provision of the Business Opportunity
15 Fraud Act.


16 AUTHORITY AND PROCEDURE

17 This Summary Order is entered pursuant to the provisions of RCW 19.110.150 and chapter 34.05
18 RCW. The Respondent may make a written request for hearing as set forth in the Notice of Opportunity
19 to Defend and Opportunity for Hearing accompanying this order. A request for a hearing should be in
20 writing and sent to Deborah R. Bortner, Securities Administrator, Department of Financial Institutions,
21 P.O. Box 9033, Olympia, Washington 98507-9033 to the attention of Brad Ferber. If the Respondent does
22 not request a hearing as set forth in the Notice of Opportunity to Defend and Opportunity for Hearing, the
23 Securities Administrator intends to adopt the Tentative Findings of Fact and Conclusions of Law as final
24 and make this Summary Order to Cease and Desist permanent as to the Respondent.

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WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

Dated this 3rd day of March, 2001.



Deborah R. Bortner
Securities Administrator

Presented by: _____
Brad Ferber
Securities Examiner

Approved by: _____
Michael E. Stevenson
Chief of Compliance

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING
5 Whether there has been a violation
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9 Respondents.

SDO - 023A - 01

NOTICE OF OPPORTUNITY TO DEFEND AND
OPPORTUNITY FOR HEARING

Case No. 01-03-086

10 THE STATE OF WASHINGTON TO:

Coastal Publications
P.O. Box 3707
North Ft. Myers, FL 33918

11
12 YOU ARE HEREBY NOTIFIED that a Summary Order To Cease And Desist has been filed by the
13 Department of Financial Institutions, a true and correct copy of which is attached and made a part hereof.

14 YOU ARE HEREBY NOTIFIED that you may file an application for an adjudicative hearing before the
15 Washington State Department of Financial Institutions on the Summary Order. Service of this notice is deemed
16 complete upon deposit in the United States mail. YOUR APPLICATION MUST BE RECEIVED BY THE
17 DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS FROM THE DATE YOU
18 RECEIVED THIS NOTICE. If you demand a hearing, you will be notified of the time and place for the hearing
19 at least seven (7) days in advance of the hearing date.

20 At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be as
21 informal as is practical within the requirements of the Administrative Procedure Act (see chapter 34.05 RCW).
22 The hearing will be recorded. The primary concern will be getting to the truth of the matter insofar as the
23 Summary Order is concerned. Technical rules of evidence will not be binding at the hearing except for the rules
24 of privilege recognized by law. You have the right to present evidence and witnesses in your own behalf, and to
cross-examine those witnesses presented in support of the Summary Order. You may require the attendance of

1 witnesses by subpoena. If you are limited English- speaking or hearing impaired, you have the right to have an
2 interpreter appointed at no cost to you, as discussed below.

3 INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-
4 English-speaking cultural background, cannot readily speak or understand the English language, or if you or a
5 witness for you is a person who, because of a hearing impairment or speech defect, cannot readily understand or
6 communicate in spoken language, including persons who are deaf, deaf and blind, or hard of hearing, AND
7 YOU NEED AN INTERPRETER, then a qualified interpreter will be appointed at no cost to you or to the
8 witness. You may request the appointment of a qualified interpreter by indicating your request on the attached
9 Application for Adjudicative Hearing form.

10 YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not RECEIVE
11 the Application for Adjudicative Hearing form within twenty (20) days from the date you received this notice,
12 this will constitute a waiver of your right to a hearing and the director will find that you do not contest the
13 allegations of the Summary Order. Upon such a finding by the director a final order will be immediately entered
14 disposing of this matter and ordering you to cease and desist as described in the Summary Order. If you desire a
15 hearing in this matter, please return the attached Application for Adjudicative Hearing to:

16 Washington State Department of Financial Institutions
17 Securities Division
18 Attn: Brad Ferber, Securities Examiner
19 Post Office Box 9033
20 Olympia, Washington 98507-9033

21 Dated this _____ day of _____, 2001.

22 _____
23 Deborah R. Bortner
24 Securities Administrator

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING
5 Whether there has been a violation
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7 State of Washington by:

8 Coastal Publications, its agents and employees,
9 Respondents.

SDO - 023C - 01

APPLICATION FOR ADJUDICATIVE
HEARING

Case No. 01-03-086

10 THE STATE OF WASHINGTON TO:

Coastal Publications
P.O. Box 3707
North Ft. Myers, FL 33918

11 If you wish to contest the Summary Order To Cease And Desist and have an adjudicative hearing, you
12 must sign, date, and return this form within twenty (20) days of the date you received it to:

13 Washington State Department of Financial Institutions
14 Securities Division
15 Attn: Brad Ferber, Securities Examiner
16 P. O. Box 9033
17 Olympia, Washington 98507-9033

18 FAILURE TO RETURN THIS FORM SO THAT IT IS RECEIVED BY THE DEPARTMENT OF
19 FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS OF THE DATE YOU RECEIVED IT WILL
20 CONSTITUTE A DEFAULT AND WILL RESULT IN THE LOSS OF YOUR RIGHT TO AN
21 ADJUDICATIVE HEARING AND WILL RESULT IN THE INFORMAL DISPOSITION OF YOUR CASE
22 AS AUTHORIZED BY RCW 34.05.440. In that case the Director may proceed to resolve this matter without
23 further notice or hearing. In such a case, the Director will immediately enter an appropriate order in disposition
24 of the Summary Order, to include prohibition against your engaging in certain business practices as described in
the Summary Order.

1 INSTRUCTIONS: Circle your desired responses to items I, II, and III below.

2 I.

3 I [REQUEST] [DO NOT REQUEST] a formal hearing in this matter.

4 II.

5 I [WILL] [WILL NOT] be represented by an attorney. His/her name, address, and telephone number
6 are:

7 _____

8 _____

9 III.

10 I [REQUEST] [DO NOT REQUEST] that a qualified interpreter be appointed at no cost to me to
11 interpret for (myself) or (my witness(es)). My, or my witness's(es'), primary language is ____
12 _____(identify language). My, or my witness's(es'), hearing impaired status
13 is _____(identify hearing impaired status). I understand that a
14 qualified interpreter will be appointed at no cost to me or to my witness(es).

15 IV.

16 You have the right: To demand a hearing; to be represented by an attorney at your own expense; to
17 subpoena witnesses to the hearing or subpoena the production of books or documents and to otherwise defend
18 against the Summary Order.

19
20 WARNING: FAILURE TO COMPLETE AND MAIL THIS DOCUMENT SO THAT IT IS
21 RECEIVED BY THE SECURITIES DIVISION WITHIN 20 DAYS AFTER YOU RECEIVED THE
22 SUMMARY ORDER TO CEASE AND DESIST WILL RESULT IN THE DISPOSITION OF THIS CASE AS
23 AUTHORIZED BY RCW 34.05.440.

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Dated this _____ day of _____, 2001.

Coastal Publications, by:

Signature

Print Name and Title

Address (if facing page is incorrect):
