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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:

RAY MASON; and  
VEND AMERICA, and its agents and employees,  
Respondents.

SDO - 50 - 00

ENTRY OF FINDINGS OF FACT AND  
CONCLUSIONS OF LAW AND FINAL ORDER  
TO CEASE AND DESIST AS TO VEND  
AMERICA

Case No. 99-11-0346

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THE STATE OF WASHINGTON TO: Vend America  
5252 South U.S. 1  
Ft. Pierce, FL 34953

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On February 7, 2000, the Securities Administrator of the State of Washington issued Summary Order to Cease and Desist SDO-14-00 hereinafter referred to as "Summary Order."

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The Summary Order, together with a Notice of Opportunity to Defend and Opportunity for Hearing (hereinafter referred to as "Notice of Opportunity for Hearing") and an Application for Adjudicative Hearing (hereinafter referred to as "Application for Hearing") thereon, were served via certified mail on Vend America on February 22, 2000. The Notice of Opportunity for Hearing advised Vend America that it had twenty days from the date it received the notice to file a written application for an administrative hearing on the Summary Order.

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Vend America failed to request an administrative hearing within twenty days of its receipt of the Summary Order and Notice of Opportunity for Hearing, either on the Application for Hearing provided or otherwise.

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The Securities Administrator therefore adopts as final the findings of fact and conclusions of law as set forth in the Summary Order as to Vend America.

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The Securities Administrator makes the following findings of fact and conclusions of law:

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ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF  
LAW AND FINAL ORDER TO CEASE AND DESIST AS TO  
VEND AMERICA

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

FINDINGS OF FACT

I.

VEND AMERICA is a Florida company with business addresses at 5252 South U.S. 1, Ft. Pierce, FL 34953, and 3175 S. Congress Ave., Suite 100, Palm Springs, FL 33461. Vend America, and their sales agent, Ray Mason, also have a business address in Arizona at 8650 N. 35<sup>th</sup> Ave., Suite 101, Phoenix, AZ 85051. Vend America sells plastic vending dispensers to purchasers, whom Vend America refers to in their promotional materials as “independent business owner operators.” These vending dispensers are equipped to store and display candy for sale to the public, and Vend America suggests that the dispensers be located on counter tops in business establishments. Vend America, through a professional locator, assists purchasers of the vending opportunity in locating establishments where the vending dispensers may be placed. The purchaser of the vending opportunity is then responsible for monitoring the candy dispensers.

II.

RAY MASON is a sales agent for Vend America.

III.

On November 11, 1999, a staff member with the Securities Division responded to an advertisement in the Spokesman Review’s classified section, dated October 31, 1999, which read as follows: “VENDING EZ \$500/\$600 WK P/T. 20 NEW UNITS PLACED. \$2990 INVESTS. 800-488-3837.” The staff member phoned the number listed in the advertisement, and spoke with Ray Mason, a sales agent of Vend America. During this discussion, Ray Mason indicated that his company, Vend America, would locate plastic candy dispensers in public places of business through the use of a professional locator. Mr. Mason indicated that a purchaser could order the candy dispensers through Vend America, and that the cost of placement for the dispensers would be included in the purchase price. The staff member asked for materials to review regarding this vending opportunity, and Mr. Mason indicated he would send such materials. The staff member subsequently received such material through the U.S. mail, which included a purchase order form for the candy dispensers. No disclosure document containing

1 complete material information regarding Vend America, including but not limited to a financial statement of the  
2 seller, was provided along with these materials. A price list was included in these materials, and indicated that a  
3 vendor could purchase as few as 20 counter top vendors for a price of \$2,990. Also included in these materials  
4 was a “guarantee” made by Vend America that if a vendor spent 7-10 hours per week on the vending business, he  
5 or she could earn \$50,000 a year.

6 IV.

7 Vend America is not currently registered to sell its business opportunities in the state of Washington and has  
8 not previously been so registered.

9 V.

10 The Securities Administrator finds that the continued offering of vending equipment in the manner described  
11 above presents a threat to the investing public.

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

13 CONCLUSIONS OF LAW

14 I.

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

17 II.

18 The offer and/or sale of said vending opportunity is in violation of RCW 19.110.050(1) because Vend  
19 America’s business opportunity is not and has not been registered with the Administrator of Securities, prior to the  
20 advertising, soliciting, or making of any offer and/or sale of the business opportunity in this state.

21 III.

22 The offer and/or sale of said business opportunity was made in violation of RCW 19.110.070 and RCW  
23 19.110.120, the disclosure document and antifraud provisions of the Business Opportunity Fraud Act, respectively,

1 because Respondents failed to provide prospective purchasers a complete disclosure document containing  
2 complete material information regarding the vending opportunity, including but not limited to a financial statement  
3 of the seller.

4 IV.

5 The Securities Administrator finds that an emergency exists, that the continued violations of RCW  
6 19.110.050(1), RCW 19.110.070 and RCW 19.110.120 constitute a threat to the investing public, and that a  
7 summary order to cease and desist from those violations are in the public interest and necessary for the protection  
8 of the investing public.

9 **ORDER**

10 Based upon the above Findings of Fact and Conclusions of Law, it is hereby:

11 ORDERED that Vend America cease and desist from violating RCW 19.110.050(1), the registration provision  
12 of the Business Opportunity Fraud Act.

13 It is further ORDERED that Vend America cease and desist from violating RCW 19.110.070 and RCW  
14 19.110.120, the disclosure document and antifraud provisions of the Business Opportunity Fraud Act.

15 This Order is entered pursuant to RCW 19.110.150 and is subject to the provisions of ch. 34.05 RCW.

16 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

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DATED this \_\_\_\_\_ day of April, 2000.

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DEBORAH R. BORTNER  
Securities Administrator

Approved By:

Presented by:

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Michael E. Stevenson  
Chief of Compliance

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Chad Standifer  
Securities Examiner

ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF  
LAW AND FINAL ORDER TO CEASE AND DESIST AS TO  
VEND AMERICA

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