

1.2 ASSOCIATION OF CERTIFIED LIQUIDATORS (“ACL”) is a registered trade name in the state of Ohio, and does business at 1476 Clara Ave., Columbus, Ohio. Dynaquest Corporation sends out mail solicitations describing its income making opportunity through the use of the ACL trade name.

1.3 MITCH KLASS represents himself as the President of Association of Certified Liquidators.

II. Nature of Offering

2.1 Respondents Dynaquest Corp., Association of Certified Liquidators, and Mitch Klass mailed or caused to be mailed a twenty-eight page promotional booklet to at least one resident of the state of Washington. This booklet describes a opportunity to make income by locating excess merchandise, and states, in part:

THERE IS BIG MONEY TO BE MADE RIGHT NOW
What kind of money are we talking? How about:
\$14,239.37 in one hour! That’s what Jason Lowery of California did. . .
There’s a \$150 billion dollar market out there just waiting for us. . .
“Make up to \$250,000.00 A Year” from Home!

2.2 Respondents’ booklet describes the opportunity as a “simple business opportunity that works like magic.”

The booklet also states that ACL’s “copyrighted system” is available and that ACL will provide offerees with “everything you need to start tomorrow as a locator of excess merchandise.” The booklet promises offerees that “[o]nce you locate excess merchandise and we sell it for you, you are GUARANTEED to make a fat 50% of the profits.”

2.3 Respondents require that offerees send ACL a fee of \$149 to order their excess merchandise locator program. Included in this program is a binder entitled “Liquidate Your Way to a Fortune” which, according to the booklet, contains such information as “how to locate excess merchandise,” “exactly the kinds of places to call (or write),” and “exactly what to say when you call (or write).”

2.4 Respondents provide the following guarantee to those who order the ACL program: “I must be 100% satisfied or I may return you package within 15 days for a FULL REFUND.”

2.5 Respondents maintain a website, located at <http://www.easyincome.com>, making substantially the same offer described above. In addition, the following representation is made on the website:

1 Q: How much can I earn in this business?
A: Your earnings with ACL are unlimited . . .

2 **III. Misrepresentations and Omissions**

3 No disclosure document containing material information regarding the opportunity, including, but not
4 limited to providing a current financial statement of Dynaquest Corp. or Association of Certified Liquidators,
5 accompanied or was referenced in the promotional booklet.

6 **IV. Registration Status**

7 Dynaquest Corp., Association of Certified Liquidators, and Mitch Klass, are not currently registered to sell
8 business opportunities in the state of Washington and have not previously been so registered.

9 **V. Lack of Compliance with the Administrator's Investigation**

10 The Securities Administrator lawfully issued Subpoena Duces Tecum, SDS-12-00, which was served via
11 certified mail on Respondent Association of Certified Liquidators on January 31, 2000. SDS-12-00 advised
12 Association of Certified Liquidators that it had until February 15, 2000 to respond. As of the date this order was
13 entered, Association of Certified Liquidators has failed to respond to this subpoena.

14
15 **CONCLUSIONS OF LAW**

16 I.

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

19 II.

20 The offer and/or sale of said business opportunity was made in violation of RCW 19.110.070 and RCW
21 19.110.120, the disclosure document and antifraud provisions of the Business Opportunity Fraud Act, respectively,
22 because Respondents failed to provide prospective purchasers a complete disclosure document containing
23 complete material information regarding the opportunity, including but not limited to a financial statement of the
24 seller.

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III.

The offer and/or sale of said business opportunity is in violation of RCW 19.110.050(1) because Respondents' business opportunity is not and has not been registered with the Administrator of Securities, prior to the advertising, soliciting, or making of any offer and/or sale of the business opportunity in this state.

IV.

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

SUMMARY ORDER

Based on the foregoing, IT IS THEREFORE HEREBY SUMMARILY ORDERED That Dynaquest Corporation, Association of Certified Liquidators, Mitch Klass, and their employees and agents, each cease and desist from offering and/or selling business opportunities in any manner in violation of RCW 19.110.050 (1), the section of the Business Opportunity Fraud Act requiring registration.

It is further SUMMARILY ORDERED that respondents, Dynaquest Corporation, Association of Certified Liquidators, Mitch Klass, and their employees and agents 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.

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 each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order. A request for a hearing should be in writing and sent to Deborah R. Bortner, Securities Administrator, Department of Financial Institutions, P.O. Box 9033, Olympia, Washington 98507-9033 to the attention of Chad Standifer.

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

4 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

5 DATED this 12th day of June, 2000.

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8 DEBORAH R. BORTNER
9 Securities Administrator

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11 Approved By:

Presented by:

12 _____
13 Michael E. Stevenson
14 Chief of Compliance

15 _____
16 Chad Standifer
17 Staff Attorney

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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 by:

DYNAQUEST CORPORATION;
ASSOCIATION OF CERTIFIED
LIQUIDATORS; MITCH KLASS; their
employees and agents,

Respondents.

SDO - 68B(1) - 00

NOTICE OF OPPORTUNITY TO DEFEND AND
OPPORTUNITY FOR HEARING

Case No. 00-01-014

10 THE STATE OF WASHINGTON TO:

Attn: Dynaquest Corporation
1476 Clara Ave.
Columbus, OH 43211-2624

11
12 YOU ARE HEREBY NOTIFIED that a SUMMARY ORDER TO CEASE AND DESIST (“the Order”), a
13 true and correct copy of which is attached and made part hereof, has been entered against you by the Washington
14 State Department of Financial Institutions, Securities Division.

15 YOU ARE HEREBY NOTIFIED that you may file an application for an adjudicative hearing before an
16 administrative law judge as Presiding Officer, upon the allegations supporting and ground for the agency action as
17 set forth in the Order. YOUR APPLICATION MUST BE RECEIVED BY THE SECURITIES DIVISION
18 WITHIN TWENTY (20) DAYS FROM THE DATE THAT YOU RECEIVE THIS NOTICE. If you demand a
19 hearing, you will be notified of the date, time, and hearing location will be mailed to you at least seven (7) days in
20 advance.

21 At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be recorded and
22 will be conducted according to the Administrative Procedure Act, Ch. 34.05 RCW. The primary concern of the
23 Administrative Law Judge, and, ultimately, the Director of the Department of Financial Institutions, will be to
24 determine the truth of the matters asserted in the Order. Technical rules of evidence will not be binding at the

25 NOTICE OF OPPORTUNITY TO DEFEND AND
OPPORTUNITY FOR HEARING

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

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1 hearing except for the rules of privilege recognized by law. You have the right to present evidence and witnesses
2 in your own behalf who will be subject to cross examination, to cross examine those witnesses presented in
3 support of the Order, to examine such documentary evidence as may be produced against you, and to conduct
4 discovery as is authorized in such proceedings. You may require the attendance of witnesses by subpoena,
5 pursuant to RCW 34.05.446. If you are limited English-speaking or hearing impaired, you have the right to have
6 an interpreter appointed at no cost to you, as discussed below.

7 INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-English-
8 speaking cultural background, cannot readily speak or understand the English language, or if you or a witness for
9 you is a person who, because of a hearing impairment or speech defect, cannot readily understand or communicate
10 in spoken language, including persons who are deaf, deaf and blind, or hard or hearing, AND YOU NEED AN
11 INTEPRETER, then a qualified interpreter will be appointed at not cost to you or to the witness. You may request
12 the appointment of a qualified interpreter by indicating your request on the attached Application for Adjudicative
13 Hearing form.

14 YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not RECEIVE the
15 Application for Adjudicative Hearing form within twenty (20) days from the date you receive this notice, this will
16 constitute a waiver of your right to a hearing in accordance with Ch. 34.05 RCW, and the director will find that
17 you do not contest the allegations of the Summary Order. Upon such a finding by the director, a final order will be
18 immediately entered disposing of this matter and ordering you to cease and desist as described in the Summary
19 Order. If you desire a hearing in this matter, please return the attached Application for Adjudicative Hearing to:

20 Washington State Department of Financial Institutions
21 Securities Division
22 Attn: Chad Standifer
23 P.O. Box 9033
24 Olympia, WA 98507-9033

25 DATED this _____ day of June, 2000.

26 _____
27 DEBORAH R. BORTNER
28 Securities Administrator

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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 by:

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ASSOCIATION OF CERTIFIED
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employees and agents,

Respondents.

SDO - 68B(2) - 00

NOTICE OF OPPORTUNITY TO DEFEND AND
OPPORTUNITY FOR HEARING

Case No. 00-01-014

THE STATE OF WASHINGTON TO:

Attn: Association of Certified Liquidators
1476 Clara Ave.
Columbus, OH 43211-2624

YOU ARE HEREBY NOTIFIED that a SUMMARY ORDER TO CEASE AND DESIST (“the Order”), a true and correct copy of which is attached and made part hereof, has been entered against you by the Washington State Department of Financial Institutions, Securities Division.

YOU ARE HEREBY NOTIFIED that you may file an application for an adjudicative hearing before an administrative law judge as Presiding Officer, upon the allegations supporting and ground for the agency action as set forth in the Order. YOUR APPLICATION MUST BE RECEIVED BY THE SECURITIES DIVISION WITHIN TWENTY (20) DAYS FROM THE DATE THAT YOU RECEIVE THIS NOTICE. If you demand a hearing, you will be notified of the date, time, and hearing location will be mailed to you at least seven (7) days in advance.

At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be recorded and will be conducted according to the Administrative Procedure Act, Ch. 34.05 RCW. The primary concern of the Administrative Law Judge, and, ultimately, the Director of the Department of Financial Institutions, will be to determine the truth of the matters asserted in the Order. Technical rules of evidence will not be binding at the

NOTICE OF OPPORTUNITY TO DEFEND AND
OPPORTUNITY FOR HEARING

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

1 hearing except for the rules of privilege recognized by law. You have the right to present evidence and witnesses
2 in your own behalf who will be subject to cross examination, to cross examine those witnesses presented in
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20 Washington State Department of Financial Institutions
21 Securities Division
22 Attn: Chad Standifer
23 P.O. Box 9033
24 Olympia, WA 98507-9033

25 DATED this _____ day of June, 2000.

26 _____
27 DEBORAH R. BORTNER
28 Securities Administrator

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19 Washington State Department of Financial Institutions
20 Securities Division
21 Attn: Chad Standifer
22 P.O. Box 9033
23 Olympia, WA 98507-9033

24 DATED this _____ day of June, 2000.

25 _____
26 DEBORAH R. BORTNER
27 Securities Administrator

INSTRUCTIONS: Check the box beside your desired response. Mail this document as set forth above.

I.

I request a hearing in this matter.

I do not request a hearing in this matter.

II.

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

III.

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

IV.

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

WARNING: FAILURE TO COMPLETE AND MAIL THIS DOCUMENT SO THAT IT IS RECEIVED BY THE SECURITIES DIVISION WITHIN 20 DAYS AFTER YOUR RECEIPT OF THE SUMMARY ORDER WILL RESULT IN THE DISPOSITION OF THIS CASE AS AUTHORIZED BY RCW 34.05.440.

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Dated this _____ day of June, 2000.

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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 by:

DYNAQUEST CORPORATION;
ASSOCIATION OF CERTIFIED
LIQUIDATORS; MITCH KLASS; their
employees and agents,

Respondents.

SDO - 68C(2) - 00

APPLICATION FOR ADJUDICATIVE
HEARING

Case No. 00-01-014

THE STATE OF WASHINGTON TO:

Attn: Association of Certified Liquidators
1476 Clara Ave.
Columbus, OH 43211-2624

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

Washington State Department of Financial Institutions
Securities Division
Attn: Chad Standifer
P.O. Box 9033
Olympia, WA 98507-9033

FAILURE TO RETURN THIS FORM SO THAT IT IS RECEIVED BY THE DEPARTMENT OF
FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS OF THE DATE YOU RECEIVED IT WILL
CONSTITUTE A DEFAULT AND WILL RESULT IN THE LOSS OF YOUR RIGHT TO AN ADJUDICATIVE
HEARING. In that case, the Director of the Department of Financial Institutions will immediately enter an
appropriate order in disposition of the Summary Order.

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APPLICATION FOR ADJUDICATIVE HEARING

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

1 INSTRUCTIONS: Check the box beside your desired response. Mail this document as set forth above.

2 I.

3 I request a hearing in this matter.

4 I do not request a hearing in this matter.

5 II.

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

7 _____
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9 _____

10 III.

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

16 IV.

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

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

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Dated this _____ day of June, 2000.

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**** Sign ****

Address:

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II.

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Dated this _____ day of June, 2000.

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**** Sign ****

Address:
