
IN THE MATTER OF:
VEND TECH INTERNATIONAL, INC.

**NOTICE OF INTENT TO ISSUE STOP
ORDER DENYING EFFECTIVENESS
TO A BUSINESS OPPORTUNITY
POSTSALE REGISTRATION**
ORDER TO CEASE AND DESIST
NOTICE OF INTENT TO FINE
AND
NOTICE OF RIGHT TO HEARING
MATTER NO. CSF-23-2022-42-B

I. PRELIMINARY STATEMENT

1. The Banking Commissioner (“Commissioner”) is charged with the administration of Chapter 672c of the General Statutes of Connecticut, the Connecticut Business Opportunity Investment Act (“Act”).

2. Pursuant to Section 36b-71(a) of the Act, the Commissioner, through the Securities and Business Investments Division (“Division”) of the Department of Banking (“Department”), has conducted an investigation into the activities of Vend Tech International, Inc. (“Vend Tech”), its officers, agents, representatives and employees to determine if they, or any of them, have violated, are violating or are about to violate provisions of the Act (“Investigation”).

3. As a result of the information obtained during the Investigation, the Commissioner has reason to believe that Vend Tech has violated certain provisions of the Act. Accordingly, the Commissioner has reason to believe that a basis exists to: (i) issue a stop order under Section 36b-68 of the Act denying

effectiveness to the business opportunity postsale registration application filed by Vend Tech under Section 36b-62(g) of the Act; (ii) issue an order to cease and desist against Vend Tech under Section 36b-72(a) of the Act; and (iii) impose a fine upon Vend Tech pursuant to Section 36b-72(b) of the Act.

II. RESPONDENT

4. Vend Tech is an Idaho corporation formed on March 29, 2013, by Randy S. Francis. Vend Tech's last address as reported to the Division is 2475 George Urban Boulevard, Depew, New York 14043. In 2018, Heath P. Falzarano of Clarence, New York, became the new president of Vend Tech, replacing Randy S. Francis. According to Vend Tech's March 20, 2023, filing with the Idaho Secretary of State, Vend Tech's current seven directors include Michael Hume and Lyndsay Wolfsmith.

5. Vend Tech offers vending machine business opportunities under at least two brand names: "Naturals2GO" and "All4U" Vending, each of which Vend Tech describes as a "division" of the seller. Purchasers of the Vend Tech business opportunity were permitted to use these names on their vending machines but not as part of their business names. Vend Tech represents that its business opportunities include: machines and supplies designed to help establish a business for the purchasers that engages primarily in a vending business, personal business coaching and mentoring in establishing the business, and technical assistance for vending machines. Vend Tech also represents that it helps purchaser-investors find locations for the vending machines.

III. STATEMENT OF FACTS

A. Sales of Unregistered Business Opportunities to Connecticut Residents

6. Purchaser-Investor One is a resident of Pomfret Center, Connecticut. On September 11, 2014, Vend Tech sold Purchaser-Investor One a vending machine business opportunity. The sale was effected through sales consultant and current Vend Tech director Lyndsey Wolfsmith.

7. Purchaser-Investor Two is a resident of Bethel, Connecticut. On September 24, 2015, Vend Tech, through its "Naturals2Go Team", sold Purchaser-Investor Two a vending machine business opportunity.

8. Purchaser-Investor Three is a resident of East Hartford, Connecticut. On May 13, 2016, Vend Tech sold Purchaser-Investor Three a vending machine business opportunity. The sale was effected through Vend Tech sales consultant Scott Johnson.

9. Purchaser-Investor Four is a resident of Windsor, Connecticut. On August 29, 2018, Vend Tech sold Purchaser-Investor Four a vending machine business opportunity for \$65,556. The sale was effected through Vend Tech sales representative and current director Michael Hume.

10. Purchaser-Investor Five is a resident of Plainville, Connecticut. On August 6, 2019, Vend Tech sold Purchaser-Investor Five a vending machine business opportunity. The sale was effected through Vend Tech sales consultant and current director Lyndsey Wolfsmith.

11. Purchaser-Investor Six is a resident of Pawcatuck, Connecticut. On September 30, 2019, Vend Tech sold Purchaser-Investor Six a vending machine business opportunity. The sale was effected through Vend Tech sales consultant Scott Johnson.

12. Purchaser-Investor Seven is a resident of Danbury, Connecticut. On July 21, 2020, Vend Tech sold Purchaser-Investor Seven a vending machine business opportunity for \$47,995. The sale was effected through Vend Tech sales consultant and current director Michael Hume.

13. At the time the foregoing seven Purchaser-Investors bought their vending machine business opportunities, the Vend Tech business opportunity was not registered under the Act.

**B. Vend Tech Files an Application for the
Postsale Registration of Its Business Opportunity**

14. On July 6, 2021, almost seven years after the first business opportunity sale in Connecticut referenced above, Vend Tech filed with the Commissioner an application for postsale registration of its business opportunity pursuant to Section 36b-62(g) of the Act, which included an Application to Register Business Opportunity (Connecticut Form CT BOIA-1) (“CT BOIA-1 Application”), an Explanatory Statement and Statement of Non-Prejudice Prepared Pursuant to Section 36b-62(G) of the Connecticut Business Opportunity Investment Act (“Postsale Form”) and a Disclosure Document (collectively, “Vend Tech Postsale Application”). Under Section 36b-62(g) of the Act, postsale registration involves, *inter*

alia, notice to the affected purchaser-investors (although not an offer of rescission), and acceptance of the postsale registration is in the discretion of the Commissioner. Vend Tech disclosed the above-mentioned seven unregistered business opportunity sales in the Vend Tech Postsale Application it filed with the Commissioner. Heath P. Falzarano, president of Vend Tech, signed the Vend Tech Postsale Application representing that the CT BOIA-1 Application and documents filed with it were true and correct to the best of his knowledge.

15. The CT BOIA-1 Application included the following question regarding Connecticut activity:

1. Have any business opportunity sales been made in or from Connecticut prior to the date of this Application?

Yes No

If so, provide the names, addresses and telephone numbers of purchaser-investors, the dates of purchase, amounts invested and the names of those persons who effected the sales on behalf of the seller (attach additional sheets if needed)

16. Vend Tech answered the question on the CT BOIA-1 Application “Yes” and added the notation “See attached Schedule A”. The attached “Schedule A” included the purchaser-investor names, addresses, phone numbers, dates of purchase, amounts invested and the names of the Sales Consultants who effected the sales on behalf of Vend Tech (“CT BOIA-1 Application Exhibit A”).

17. The Postsale Form included a document entitled “Exhibit A: List of Purchaser-Investors (Use Additional Sheets if Necessary) Prepared Pursuant to Section 36b-62(h) of the Connecticut Business Opportunity Investment Act” (“Postsale Form Exhibit A”). The Postsale Form Exhibit A included the purchaser-investor names, addresses, telephone numbers and payment amounts.

18. The Disclosure Document included a document entitled “Schedule C – Purchasers”, which Vend Tech described as “a complete list of purchaser-investors of Vend Tech International, Inc.”, as part of Vend Tech’s answer to the Business Opportunity Track Record section of the Disclosure Document (“Disclosure Document Schedule C”). The Disclosure Document Schedule C included the purchaser-investor names, phone numbers, shipping streets, shipping cities, shipping states, shipping codes, PIF amounts and PIF amount dates.

19. Vend Tech reported inconsistent payment amounts that it received from Purchaser-Investors One, Two, Three, Five and Six on the CT BOIA-1 Application Exhibit A, Postsale Form Exhibit A, and Disclosure Document Schedule C that Vend Tech filed with the Commissioner, as more fully described below.

20. Vend Tech reported a \$6,000 sale to Purchaser-Investor One on CT BOIA-1 Application Exhibit A, but it reported an inconsistent payment amount of \$42,807.50 from Purchaser-Investor One on Postsale Form Exhibit A and Disclosure Document Schedule C.

21. Vend Tech reported a \$13,887.50 sale to Purchaser-Investor Two on CT BOIA-1 Application Exhibit A, but it reported an inconsistent payment amount of \$43,877.50 from Purchaser-Investor Two on Postsale Form Exhibit A and Disclosure Document Schedule C.

22. Vend Tech reported a \$14,980 sale to Purchaser-Investor Three on CT BOIA-1 Application Exhibit A, but it reported an inconsistent payment amount of \$31,070 from Purchaser-Investor Three on Postsale Form Exhibit A and the Disclosure Document Schedule C.

23. Vend Tech reported a \$67,575 sale to Purchaser-Investor Five on CT BOIA-1 Application Exhibit A, but it reported an inconsistent payment amount of \$68,575 from Purchaser-Investor Five on Postsale Form Exhibit A and the Disclosure Document Schedule C.

24. Vend Tech reported a \$43,100 sale to Purchaser-Investor Six on CT BOIA-1 Application Exhibit A, but it reported an inconsistent sales figure of \$68,575 to Purchaser-Investor Six on Postsale Form Exhibit A and the Disclosure Document Schedule C.

25. On August 30, 2021, the State of Illinois Secretary of State, Securities Department, entered a Consent Order of Prohibition and Fine against Vend Tech (File No. 2100338) (“Illinois Consent Order”). The Illinois Consent Order alleged, *inter alia*, that, from October 14, 2014, to February 8, 2021, Vend Tech sold unregistered business opportunities to twelve Illinois residents in violation of the Illinois Business Opportunities Sales Law of 1995. The Illinois Consent Order also imposed a \$7,000 fine against Vend Tech.

26. In the Vend Tech Postsale Application, Vend Tech answered all questions regarding its disciplinary history in the negative. At no time did Vend Tech amend the Vend Tech Postsale Application to disclose the Illinois Consent Order. Section 36b-62(d) of the Act provides that: “[t]he seller shall *immediately* notify the commissioner of any material change in the information and documents required to be filed under this section, and make appropriate amendments to the disclosure document.” (Emphasis added)

27. Purchaser-Investor Eight is a resident of Bloomfield, Connecticut. On November 5, 2021, while the Vend Tech Postsale Application was pending with the Commissioner, Vend Tech sold an unregistered vending machine business opportunity for approximately \$80,000 to Purchaser-Investor Eight. Vend Tech did not disclose the sale to the Commissioner. Only when Purchaser-Investor Eight complained to the Division, did the Division become aware of the eighth unregistered sale. Purchaser-Investor Eight indicated that they had dealt with Vend Tech president Heath P. Falzarano and that no disclosure document had been provided by Vend Tech as required by Section 36b-63 of the Act. The corresponding purchase agreement for the vending machine business opportunity was signed by David Perkins of Vend Tech on November 8, 2021. Ultimately, Purchaser-Investor Eight retained private counsel and reached a settlement with Vend Tech, the terms of which neither Purchaser-Investor Eight nor Vend Tech disclosed to the Division.

28. On April 26, 2022, the Securities Division of the State of Washington Department of Financial Institutions and Vend Tech entered into a Consent Order (No. S-21-3169-21-CO01) (“Washington Consent Order”). The Washington Consent Order alleged Vend Tech made unregistered franchise sales and failed to provide purchasers with a disclosure document prior to the sale. The Washington Consent Order directed Vend Tech to cease and desist from regulatory violations and to pay \$4,000 in investigative costs. At no time did Vend Tech amend the Vend Tech Postsale Application to disclose the Washington Consent Order.

29. On May 23, 2022, the State of Maryland Securities Commissioner and Vend Tech entered into a Consent Order (Case No. 2021-0237) (“Maryland Consent Order”). The Maryland Consent Order

alleged that Vend Tech violated the registration, disclosure, and antifraud provisions of the Maryland Business Opportunities Sales Act and that thirty-two Maryland purchasers were involved. The Maryland Consent Order also stated that no disclosure document was provided, and that Vend Tech made unsubstantiated earnings claims. A permanent cease and desist order was issued and an \$8,000 monetary penalty was imposed against Vend Tech. At no time did Vend Tech amend the Vend Tech Postsale Application to disclose the Maryland Consent Order.

30. On July 5, 2022, the State of Minnesota issued an Order of Withdrawal, withdrawing Vend Tech's application since there had been no activity for 120 days. Minnesota's main comment (unaddressed) was that Vend Tech's disclosure document did not comply with Minnesota law. The Vend Tech Postsale Application as filed with the Commissioner required that it disclose any states in which its application had been withdrawn. At no time did Vend Tech amend the Vend Tech Postsale Application to disclose the Minnesota Order of Withdrawal.

C. Disclosure Document and Other Deficiencies

31. In the Disclosure Document Vend Tech filed with the Division on July 6, 2021, which indicated that it was last revised on March 14, 2021, Vend Tech stated that it had "conducted a business of the type the purchaser will operate since 2013." Notwithstanding that statement, on its website (www.vendtech.com), Vend Tech promoted its services to the public by representing that it had "30+ years in Business Opportunity" and that "Vend Tech has been in business since 1988". Vend Tech represented on its website that "We've been helping people start their own local vending businesses since 1987." Vend Tech's website also linked to naturals2go.com which directed the public to contact Vend Tech for further information. The Disclosure Document filed with the Division stated only that "Vend Tech International, Inc. was established in 2013 when employees of US Vend Technologies, LLC purchased the business. Some of the corporate officers have been affiliated with operating a business of the type described in this disclosure since 1989." No details were provided concerning US Vend

Technologies, LLC nor did the Disclosure Document specify what corporate officers were affiliated with operating a similar business or who those corporate officers were.

32. Section 36b-63(c)(2) of the Act requires that the Disclosure Document include a description of:

The business experience during the past five years of each of the seller's current directors, executive officers, trustees, general partners, general managers, and any other persons charged with responsibility for the seller's business activities, including but not limited to, the chief operating officer and the financial, marketing, training and service officers. With regard to each such listed person, for the past five years, such person's principal occupations, nature and types of business in which such person was engaged, names of his employers, current business addresses and titles shall be provided[.]

The Disclosure Document filed with the Division contained insufficient information responsive to this requirement.

33. Item 13 of Vend Tech's Disclosure Document as filed with the Division stated that: "Vend Tech International, Inc. does not offer financing to prospective purchasers." However, on Vend Tech's website naturals2go.com, Vend Tech represented that:

We Can Help You Get Financing . . . Naturals2Go has been helping our operators secure funding from the beginning, and we are able to assist nearly **nearly 70% of our new operators** in this. Naturals2Go is approved by multiple lending institutions and has a great, long-standing relationship with the SBA Loan program.

VendTech Finance Liaison Alicia Hickman There are several options available when it comes to financing your new business. Our Finance Liaison is your guide to securing the best option for your specific situation. You will have the chance to view all choices available, and select the one best for you.

Unsecured Financing This is where your good credit speaks for itself. No collateral is needed, and it is a simple application and signature process.

Secured or HELOC Financing This is where you offer the lending institution some guarantee in the form of collateral or initiating a Home Equity Loan to secure the funding you need.

401K Rollover This is a great option if you want to use your retirement funds now. Our special program allows you to access these funds without paying any early withdrawal penalties or taxes. It is a specially designed program approved by the IRS.

SBA-Small Business Administration Naturals2Go is the only vending business opportunity that is approved for several specialty SBA loan programs. Our Financial Liaison will walk you through the entire process, if this is the best option for you.

(Emphasis in original)

Therefore, if the website's representations are accurate, Vend Tech's response to Item 13 was materially misleading. Section 36b-63(c)(12)(A) of the Act requires that the Disclosure Document contain:

A statement of all material terms and conditions of any financing arrangement offered directly *or indirectly* by the seller or any person affiliated with the seller to the prospective purchaser-investor; and (B) a description of the terms by which any payment is to be received by the seller from (i) any person offering financing to a prospective purchaser-investor; and (ii) any person arranging for financing for a prospective purchaser-investor[.]

(Emphasis added)

Neither Vend Tech's Disclosure Document nor its website representations provided prospective purchaser-investors with *specific details* on the types of financing Vend Tech purportedly offered. If the website's representations are inaccurate, then Vend Tech violated Section 36b-67 of the Act which provides, in part, that:

No person shall in connection with the sale or offer for sale of a business opportunity . . . (5) make any claim or representation in advertising or promotional material, or in any oral sales presentation, solicitation or discussion between the seller and a prospective purchaser-investor, which is inconsistent with the information required to be disclosed by sections 36b-60 to 36b-80, inclusive[.]

34. Section 36b-63(c)(27) of the Act requires that the Disclosure Document contain:

A section entitled 'risk factors' containing a series of short concise captioned paragraphs summarizing the principal factors which make the business opportunity one of high risk or of a speculative nature. Such factors shall include, but not be limited to: The absence of profitable operations within the previous three years; an erratic financial position of the seller; the particular nature of the business in which the seller is engaged or proposes to engage; any adverse background information regarding executive officers and directors of the seller, including prior business failures, criminal convictions or personal adjudications of bankruptcy; limited experience or lack of experience of the seller's management with respect to the particular business; and the identity and relationship to the seller of any customers, the loss of any one of whom would have a material adverse effect on the seller. Where appropriate,

reference shall be made to other sections of the disclosure document where more detailed information has been disclosed.

In response to Item 26 of the Disclosure Document (Risk Factors) Vend Tech listed “Lack of operating history” under Company Specific Risk Factors – despite the fact that it had purportedly been in business since at least 2013. Missing from Item 26 was the Independent Auditor’s June 11, 2021, comment expressing “Substantial Doubt about the Company’s Ability to Continue as a Going Concern.”

35. In promoting its business opportunity on naturals2go.com, Vend Tech described the business opportunity as being “A Proven Program with a History of Success . . . Below are just some of the recognized companies that need vending. We target for companies just like this for you” (<https://www.naturals2go.com/location-procurement/>). The website then proceeded to feature the commercial logos for Harvard University, Crayola, General Electric, ConAgra Foods, the U.S. Air Force, Smith Anderson and The BroadMoor. Section 36b-67 of the Act provides, in pertinent part, that:

No person shall in connection with the sale or offer for sale of a business opportunity: . . . (3) use the trademark, service mark, trade names, logotype, advertising or other commercial symbol of any business which does not either control the ownership interest in the seller or accept responsibility for all representations made by the seller in regard to the business opportunity, unless it is clear from the circumstances that the owner of the commercial symbol has knowledge of and consents to such use and is not involved in the sale of the business opportunity[.]

There is no evidence that any of the companies listed are affiliated with Vend Tech or that any of them knew of and consented to the use of their commercial symbols in Vend Tech’s business opportunity promotional advertising.

IV. STATUTORY BASIS FOR NOTICE OF INTENT TO ISSUE STOP ORDER DENYING EFFECTIVENESS TO A BUSINESS OPPORTUNITY POSTSALE REGISTRATION, ORDER TO CEASE AND DESIST AND NOTICE OF INTENT TO FINE

a. Vend Tech Offered and Sold a “Business Opportunity” as Statutorily Defined

36. Paragraphs 1 through 35, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

37. The vending machines offered and sold by Vend Tech constitute a “business opportunity” as defined in Section 36b-61(2) of the Act. Section 36b-61(2) of the Act defines the term “business opportunity” to mean:

[T]he sale or lease, or offer for sale or lease, of any product, equipment, supply or service which is sold or offered for sale to the purchaser-investor for the purpose of enabling the purchaser-investor to start a business, and in which the seller represents that: (A) The seller will provide locations or assist the purchaser-investor in finding locations for the use or operation of vending machines, racks, display cases or other similar devices, or currency-operated amusement machines or devices, or any other devices within the intent of sections 36b-60 to 36b-80, inclusive, as the commissioner shall by regulation or order determine, on premises neither owned nor leased by the purchaser-investor or seller[.]

38. Each of the eight purchaser-investors described herein is a “purchaser-investor” within the meaning of Section 36b-61(6) of the Act, in that each is a “person who has purchased or is solicited for the purchase of a business opportunity”.

39. Vend Tech is a “seller” within the meaning of Section 36b-61(8) of the Act, in that it and it is “a person who sells or offers to sell a business opportunity or any agent or person who, directly or indirectly, acts on behalf of such person”.

b. Vend Tech Offered and/or Sold Unregistered Business Opportunities in Violation of Sections 36b-62(a) and 36b-67(1) of the Act

40. Paragraphs 1 through 39, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

41. Section 36b-62(a) of the Act provides that “[n]o person shall sell or offer a business opportunity in this state unless such business opportunity is registered under this section or is exempt from registration under section 36b-65.”

42. Section 36b-67(1) of the Act provides, in pertinent part, that:

No person shall in connection with the sale or offer for sale of a business opportunity: (1) Sell or offer for sale a business opportunity in this state or from this state unless it has first been registered with the commissioner and declared effective by the commissioner in accordance with the provisions of section 36b-62[.]

43. From at least 2014 through 2021, Vend Tech offered and/or sold unregistered business opportunities to at least eight purchaser-investors in violation of Sections 36b-62(a) and 36b-67(1) of the Act, as more fully described in paragraphs 6 through 13, inclusive, and paragraph 27. Such business opportunities were not exempt from registration under Section 36b-65 of the Act, nor did they qualify for a definitional exclusion under Section 36b-61(2) of the Act.

44. Vend Tech's violations of Sections 36b-62(a) and 36b-67(1) of the Act form a basis for an order to cease and desist to be issued against Vend Tech pursuant to Section 36b-72(a) of the Act, the imposition of a fine upon Vend Tech pursuant to Section 36b-72(b) of the Act, and/or, as wilful misconduct, a basis for a stop order denying effectiveness to Vend Tech's business opportunity postsale registration under Section 36b-68(a)(4) of the Act.

c. Vend Tech Violated Section 36b-62(d) of the Act
by Failing to Amend Its Pending Business Opportunity Postsale Registration Application

45. Paragraphs 1 through 44, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

46. Vend Tech's failure to update the Vend Tech Postsale Application to disclose the sale of an unregistered business opportunity to Purchaser-Investor Eight, the Consent Orders issued by the States of Illinois, Washington and Maryland and the withdrawal order issued by the State of Minnesota, as more fully described in paragraphs 25 through 30, inclusive, constitute a violation of Section 36b-62(d) of the Act; and had the effect of making the existing filing materially misleading.

47. Vend Tech's violation of Section 36b-62(d) of the Act forms a basis for an order to cease and desist to be issued against Vend Tech pursuant to Section 36b-72(a) of the Act, the imposition of a fine upon Vend Tech pursuant to Section 36b-72(b) of the Act, and/or, as wilful misconduct, a basis for a stop order denying effectiveness to Vend Tech's business opportunity postsale registration under Section 36b-68(a)(4) of the Act.

d. Vend Tech Violated Section 36b-63 of the Act by
Failing to Provide Prospective Purchaser-Investors with a Disclosure Document

Meeting the Requirements of the Act

48. Paragraphs 1 through 47, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

49. Vend Tech's disclosure deficiencies and inconsistencies, as more fully described in paragraphs 14 through 35, inclusive, and its failure to provide prospective purchaser-investors with a compliant disclosure document constitute a violation of Section 36b-63 of the Act and a basis for an order to cease and desist to be issued against Vend Tech pursuant to Section 36b-72(a) of the Act, the imposition of a fine upon Vend Tech pursuant to Section 36b-72(b) of the Act, and/or, as wilful misconduct, the entry of a stop order denying effectiveness to Vend Tech's business opportunity postsale registration under Section 36b-68(a)(4) of the Act.

50. Vend Tech's Postsale Application for registration is incomplete in a material respect but has not been deemed abandoned pursuant by the Commissioner pursuant to subsection (e) of Section 36b-68 or contains statements which, in the light of the circumstances under which they were made, are false or misleading with respect to any material fact, as more fully described in paragraphs 14 through 35, inclusive, also forms a basis for the entry of a stop order denying Vend Tech's business opportunity postsale registration under Section 36b-68(a)(3) of the Act.

e. In Promoting Its Business Opportunity to Prospective Purchaser-Investors,
Vend Tech Engaged in Conduct Proscribed by Section 36b-67 of the Act

51. Paragraphs 1 through 50, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

52. Vend Tech's representations in connection with the promotion of its business opportunity to prospective purchaser-investors, as more fully described in paragraphs 33 and 35, constitute violations of subdivisions (3) and (5) of Section 36b-67 of the Act and a basis for an order to cease and desist to be issued against Vend Tech pursuant to Section 36b-72(a) of the Act, the imposition of a fine upon Vend Tech pursuant to Section 36b-72(b) of the Act, and/or, as wilful misconduct, the entry of a stop order

denying effectiveness to Vend Tech's business opportunity postsale registration under Section 36b-68(a)(4) of the Act.

53. Section 36b-68(a)(8) of the Act authorizes the entry of a stop order where the Commissioner finds that "the seller's literature or advertising is misleading, incorrect, incomplete or deceptive."

54. Vend Tech's misleading, incorrect, incomplete or deceptive literature or advertising forms a basis for the entry of a stop order denying Vend Tech's business opportunity postsale registration under Section 36b-68(a)(8) of the Act.

f. The Entry of Consent Orders by the States of Illinois, Washington and Maryland Support the Entry of a Stop Order Denying Effectiveness to Vend Tech's Business Opportunity Postsale Registration Under Section 36b-68(a)(5)(D) of the Act

55. Paragraphs 1 through 54, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

56. The entry of Consent Orders against Vend Tech by the States of Illinois, Washington, and Maryland, as more fully described in paragraphs 25, 28 and 29, constitute a basis for the entry of a stop order denying effectiveness to Vend Tech's business opportunity postsale registration under Section 36b-68(a)(5)(D) of the Act.

V. NOTICE OF INTENT TO ISSUE STOP ORDER DENYING EFFECTIVENESS TO A BUSINESS OPPORTUNITY POSTSALE REGISTRATION, ORDER TO CEASE AND DESIST, NOTICE OF INTENT TO FINE AND NOTICE OF RIGHT TO HEARING

WHEREAS, in setting forth the criteria for permitting the postsale registration of a business opportunity, Section 36b-62(i) of the Act provides that:

If it appears to the commissioner that no person has been defrauded, prejudiced or damaged by such noncompliance or sale and that no persons will be defrauded, prejudiced or damaged by such postsale registration, the commissioner may permit the business opportunity to be registered upon the payment of fifty dollars plus the fee prescribed by subsection (b) of this section. Registration under the provisions of this subsection shall not affect the prosecution of a violation of any provision of sections 36b-60 to 36b-80, inclusive[;]

WHEREAS, the Commissioner cannot conclude that no person has been defrauded, prejudiced, or damaged by Vend Tech's noncompliance with the Act;

WHEREAS, the Commissioner therefore does not believe that Vend Tech's business opportunity postsale registration should be made effective;

WHEREAS, as a result of the Investigation, the Commissioner further finds that grounds exist to deny Vend Tech's business opportunity postsale registration pursuant to Section 36b-68(a) of the Act;

WHEREAS, as a result of the Investigation, the Commissioner finds that, with respect to the activity described herein, Vend Tech wilfully violated Sections 36b-62(a), 36b-62(d), 36b-63 and 36b-67 of the Act, and that such wilful violations form a basis for a stop order denying effectiveness to Vend Tech's business opportunity postsale registration under Section 36b-68(a)(4) of the Act;

WHEREAS, as a result of the Investigation, the Commissioner further finds that a basis exists for issuing a stop order denying effectiveness to Vend Tech's business opportunity postsale registration pursuant to subdivisions (1), (2), (3), (5) and (8) of Section 36b-68(a) of the Act;

WHEREAS, Section 36b-68(a) of the Act provides, in part, that:

The commissioner may issue a stop order denying effectiveness to . . . any business opportunity registration if the commissioner finds that: (1) Such order is in the public interest; (2) such order is necessary for the protection of purchaser-investors or prospective purchaser-investors; (3) the registration of the business opportunity is incomplete in any material respect but is not abandoned pursuant to subsection (e) of this section or contains any statement which was, in the light of the circumstances under which it was made, false or misleading with respect to any material fact; (4) any provision of sections 36b-60 to 36b-80, inclusive, or any regulation, order or condition lawfully adopted, issued or imposed under said sections has been wilfully violated by any person; (5) the seller . . . (D) is the subject of any state . . . agency order . . . entered within the past ten years and involving (i) business opportunity activities or the seller-purchaser-investor relationship, or (ii) fraud, including, but not limited to, a violation of any business opportunity law, franchise law, securities law or unfair or deceptive practices law, embezzlement, fraudulent conversion, misappropriation of property or restraint of trade; . . . or (8) the seller's literature or advertising is misleading, incorrect, incomplete or deceptive.

WHEREAS, Section 36b-68(c) of the Act states, in pertinent part, that:

No stop order may be entered under this section except as provided in subsection (b) of this section without: (1) Appropriate prior notice to the applicant or registrant of a business opportunity; (2) opportunity for a hearing; and (3) the issuance of written findings of fact and conclusions of law by the commissioner[;]

WHEREAS, the Commissioner believes that the entry of a stop order denying Vend Tech's business opportunity postsale registration would be in the public interest and necessary for the protection of purchaser-investors or prospective purchaser-investors;

NOW THEREFORE, notice is hereby given to Vend Tech that the Commissioner intends to issue a stop order denying effectiveness to Vend Tech's business opportunity postsale registration, subject to Vend Tech's right to request a hearing on the allegations set forth above.

WHEREAS, the Commissioner finds that Vend Tech has violated Sections 36b-62(a), 36b-62(d), 36b-63, and 36b-67 of the Act;

WHEREAS, the Commissioner further finds that the issuance of an Order to Cease and Desist and the imposition of a fine upon Vend Tech is necessary or appropriate in the public interest or for the protection of purchaser-investors and consistent with the purposes fairly intended by the policies and provisions of the Act;

WHEREAS, notice is hereby given to Vend Tech that the Commissioner intends to impose a maximum fine not to exceed one hundred thousand dollars (\$100,000) per violation upon Vend Tech;

WHEREAS, the Commissioner **ORDERS** that **VEND TECH INTERNATIONAL, INC.**, **CEASE AND DESIST** from directly or indirectly violating the provisions of the Act, including without limitation: (1) offering and selling unregistered business opportunities; (2) failing to immediately notify the commissioner of any material change in the information and documents required to be filed under the Act, and make appropriate amendments to the disclosure document; (3) failing to provide prospective purchase-investors with a written disclosure document that meets the requirements of the Act; (4) using the trademark, service mark, trade names, logotype, advertising or other commercial symbol of any business which does not either control the ownership interest in the seller or accept responsibility for all representations made by the seller in regard to the business opportunity, unless it is clear from the

circumstances that the owner of the commercial symbol has knowledge of and consents to such use and is not involved in the sale of the business opportunity; and (5) making any claim or representation in advertising or promotional material, or in any oral sales presentation, solicitation or discussion between the seller and a prospective purchaser-investor, which is inconsistent with the information required to be disclosed by sections 36b-60 to 36b-80, inclusive;

THE COMMISSIONER FURTHER ORDERS THAT, pursuant to Sections 36b-68(c) and 36b-72 of the Act, Vend Tech will be afforded an opportunity for a hearing on the allegations set forth above if a written request for a hearing is received by the Department of Banking, Securities and Business Investments Division, 260 Constitution Plaza, Hartford, Connecticut 06103-1800 or submitted by e-mail to DOB.hearingsupport@ct.gov within fourteen (14) days following the Vend Tech's receipt of this Order. To request a hearing, complete and return the enclosed Appearance and Request for Hearing Form to one of the above-referenced addresses. If Vend Tech will not be represented by an attorney at the hearing, please complete the Appearance and Request for Hearing Form as "pro se".

Vend Tech may request that the hearing be held in person at the Department's offices or remotely via videoconference using Microsoft Teams. Once a written request for a hearing is received, the Commissioner may issue a notification of hearing and designation of hearing officer that acknowledges receipt of a request for a hearing, designates a hearing officer and sets the date of the hearing in accordance with Section 4-177 of the General Statutes of Connecticut and Section 36a-1-21 of the Regulations of Connecticut State Agencies. If a hearing is requested, the hearing will be held on August 31, 2023, at 10 a.m.

If a hearing is requested, it will be held in accordance with the provisions of Chapter 54 of the General Statutes of Connecticut, unless Vend Tech fails to appear at the requested hearing. At such hearing, Vend Tech will have the right to appear and present evidence, rebuttal evidence and argument on all issues of fact and law to be considered by the Commissioner. Any remote hearing will be held in accordance with Section 149 of June Special Session Public Act 21-2, and the Remote Hearing Guidelines available on the Department's website at <https://portal.ct.gov/dob>.

If Vend Tech does not request a hearing within the time period prescribed or fails to appear at any such hearing, the allegations herein against Vend Tech will be deemed admitted. Accordingly, the Commissioner shall issue a Stop Order Denying Effectiveness to Vend Tech's Business Opportunity Postsale Registration, the Order to Cease and Desist shall remain in effect and become permanent against Vend Tech and the Commissioner may order that the maximum fine be imposed upon Vend Tech.

So ordered at Hartford, Connecticut,
this 18th day of July 2023.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CERTIFICATION

I hereby certify that on this 18 day of July 2023, I caused to be mailed by certified mail, return receipt requested, the foregoing Notice of Intent to Issue Stop Order Denying Effectiveness to a Business Opportunity Postsale Registration, Order to Cease and Desist, Notice of Intent to Fine and Notice of Right to Hearing to Vend Tech International, Inc., 2475 George Urban Boulevard, Depew, New York 14043, certified mail no. 7022 1670 0002 0923 2708.

_____/s/_____
Jackie D. Wilkey
Administrative Assistant