
*
IN THE MATTER OF: *
*
VEND TECH INTERNATIONAL, INC. *
*

CONSENT ORDER
MATTER NO. CSF-23-2022-42-B

I. PRELIMINARY STATEMENT

WHEREAS, 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”), pursuant to Section 36b-70 of the Act;

WHEREAS, Vend Tech International, Inc. (“Vend Tech”) is an Idaho corporation formed on March 29, 2013 by Randy S. Francis. Vend Tech’s address is 2475 George Urban Boulevard, Depew, New York 14043. In 2018, Heath P. Falzarano became the president of Vend Tech, replacing Randy S. Francis;

WHEREAS, 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 (primarily 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;

WHEREAS, 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”);

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

WHEREAS, as a result of the Investigation, on July 18, 2023, the Commissioner, acting pursuant to Sections 36b-68 and 36b-72 of the Act, issued a 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 against Vend Tech (collectively, “Notice”), which Notice is incorporated by reference herein;

WHEREAS, on July 21, 2023, the Notice was received by Vend Tech;

WHEREAS, on August 9, 2023, Vend Tech requested a hearing on the matters alleged in the Notice;

WHEREAS, Vend Tech and the Commissioner now desire to resolve the matters alleged in the Notice without the need for further administrative proceedings;

WHEREAS, an administrative proceeding initiated under Sections 36b-68 and 36b-72 of the Act would constitute a “contested case” within the meaning of Section 4-166(4) of the General Statutes of Connecticut;

WHEREAS, Section 36b-72(d) of the Act provides, in relevant part, that “[a]ny time after the issuance of an order or notice provided for in subsection (a) or (b) of this section, the commissioner may

accept an agreement by any respondent named in such order or notice to enter into a written consent order in lieu of an adjudicative hearing”;

WHEREAS, Section 4-177(c) of the General Statutes of Connecticut and Section 36a-1-55(a) of the Regulations of Connecticut State Agencies provide that a contested case may be resolved by consent order, unless precluded by law;

WHEREAS, Vend Tech expressly consents to the Commissioner’s jurisdiction under the Act and to the terms of this Consent Order;

WHEREAS, the Commissioner finds that the entry of this Consent Order is necessary or appropriate in the public interest or for the protection of purchaser-investors and consistent with the purposes fairly intended by the policy and provisions of the Act;

WHEREAS, Vend Tech acknowledges that it has had the opportunity to consult with and be represented by independent counsel in negotiating and reviewing this Consent Order and that it executes this Consent Order freely;

AND WHEREAS, Vend Tech, through its execution of this Consent Order, specifically assures the Commissioner that none of the violations alleged in this Consent Order shall occur in the future.

II. CONSENT TO WAIVER OF PROCEDURAL RIGHTS

WHEREAS, Vend Tech, through its execution of this Consent Order, voluntarily waives the following rights:

1. To be afforded notice and an opportunity for a hearing within the meaning of Sections 36b-68(c), 36b-72(a), and 36b-72(b) of the Act and Section 4-177(a) of the General Statutes of Connecticut;
2. To present evidence and argument and to otherwise avail itself of Sections 36b-68(c), 36b-72(a), and 36b-72(b) of the Act and Section 4-177c(a) of the General Statutes of Connecticut;
3. To present its position in a hearing in which it is represented by counsel;
4. To have a written record of the hearing made and a written decision issued by a hearing officer; and

5. To seek judicial review of, or otherwise challenge or contest the matters described herein, including the validity of this Consent Order.

III. ACKNOWLEDGEMENT OF THE COMMISSIONER'S ALLEGATIONS

WHEREAS, Vend Tech, through its execution of this Consent Order, acknowledges the following allegations of the Commissioner:

1. Vend Tech violated Sections 36b-62(a) and 36b-67(1) of the Act by offering and selling unregistered business opportunities to at least eight Connecticut purchaser-investors;
2. Vend Tech violated Sections 36b-62(d) of the Act by not immediately notifying the Commissioner of a material change to the Vend Tech Postsale Application;
3. Vend Tech violated Section 36b-63 of the Act by failing to provide the required disclosure document meeting the requirements of the Act to prospective purchaser-investors; and
4. Vend Tech violated subdivisions (3) and (5) of Section 36b-67 of the Act because its literature or advertising was misleading, incorrect, or incomplete;

WHEREAS, the Commissioner would have the authority to enter findings of fact and conclusions of law after granting Vend Tech an opportunity for a hearing;

AND WHEREAS, Vend Tech acknowledges the possible consequences of an administrative hearing and voluntarily agrees to consent to the entry of the sanctions described below.

IV. CONSENT TO ENTRY OF SANCTIONS

WHEREAS, Vend Tech, through its execution of this Consent Order, consents to the Commissioner's entry of a Consent Order imposing on it the following sanctions:

1. Vend Tech, its representatives, agents, employees, affiliates, assigns, successors in interest, and those persons in active concert or participation with them shall cease and desist from engaging in conduct constituting or which would constitute a violation of the Act, or any rule or order adopted or issued under the Act, either directly or through any person, organization or other device, including without limitation, violations of Sections 36b-62(a), 36b-62(d), 36b-63, 36b-67(1), 36b-67(3), and 36b-67(5) of the Act;
2. No later than the date this Consent Order is issued by the Commissioner, Vend Tech shall remit to the Department of Banking, by certified or cashier's check made payable to "Treasurer, State of Connecticut", the sum of Ten Thousand Dollars (\$10,000) as an administrative fine;
3. No later than ten (10) days after the date this Consent Order is issued by the Commissioner, Vend Tech shall extend to all Connecticut purchaser-investors, other than those Connecticut purchaser-investors who previously settled with Vend Tech, the opportunity to receive a partial

rebate, based on a predetermined percentage not unacceptable to the Commissioner, of the purchase price paid for the vending machines purchased from Vend Tech pursuant to its business opportunity contracts with the purchaser-investors. ("Rebate Offers"). Such Rebate Offers shall be in writing in a form approved by the Commissioner and sent by certified mail, return receipt requested to the affected purchaser-investors at addresses provided by the Division;

4. No later than five (5) days after the Rebate Offers are mailed, Vend Tech shall submit to the Division Director evidence of compliance with paragraph 3 of this Consent to Entry of Sanctions;
5. No later than thirty (30) days after the date of the Rebate Offers are mailed, Vend Tech shall submit to the Division Director copies of return receipts or evidence of non-delivery of Rebate Offers;
6. No later than forty-five (45) days after the date each Rebate Offer is delivered, as evidenced by the return receipts, Vend Tech shall: (a) provide to the Division Director a copy of any written statement received by Vend Tech either accepting or rejecting the Rebate Offer, and (b) for each Rebate Offer accepted, pay the rebate amounts offered by Vend Tech by certified or cashier's check, made payable to the Connecticut purchaser-investor, and submit written evidence of such payments, including copies of the checks, to the Division Director;
7. For each Rebate Offer for which evidence of non-delivery has been submitted to the Division Director, Vend Tech shall exercise its best efforts to ascertain the Connecticut purchaser-investor's current address. If Vend Tech obtains knowledge of such address within one (1) year of the date this Consent Order is issued by the Commissioner, Vend Tech shall promptly resend a Rebate Offer to such address in the manner and form set forth in paragraph 3 of this Consent to Entry of Sanctions, and comply with the requirements prescribed by paragraphs 4 through 6 of this Consent to Entry of Sanctions; and
8. Effective on the date this Consent Order is entered by the Commissioner, the pending postsale business opportunity registration of Vend Tech shall be effectively registered pursuant to Section 36b-60 to 36b-80 of the Act.

V. CONSENT ORDER

NOW THEREFORE, the Commissioner enters the following:

1. The Sanctions set forth above be and are hereby entered;
2. Entry of this Consent Order by the Commissioner is without prejudice to the right of the Commissioner to take enforcement action against Vend Tech, its principals, affiliates and/or successors in interest based upon a violation of this Consent Order or the matters underlying its entry if the Commissioner determines that compliance with the terms herein is not being observed or if any representation made by or on behalf of Vend Tech in connection with the Investigation is subsequently discovered to be untrue;
3. Nothing in this Consent Order shall be construed as limiting the Commissioner's ability to take enforcement action against Vend Tech based upon: (i) evidence of which the Division was unaware on the date hereof relating to a violation of the Act or any regulation or order under the

Act; or (ii) evidence indicating that Vend Tech withheld material information from, or made any material misstatement or omission to, the Commissioner in connection with this matter;

4. Vend Tech shall not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, that the Commissioner had a basis to pursue the allegations set forth in Section III of this Consent Order, or create the impression that this Consent Order is without factual basis;
5. Vend Tech shall not take any position in any proceeding brought by or on behalf of the Commissioner, or to which the Commissioner is a party, that is inconsistent with any part of this Consent Order. Nothing in this Consent Order affects Vend Tech's (i) testimonial obligations; or (ii) right to take any legal or factual position in litigation, arbitration, or other legal proceedings in which the Commissioner is not a party;
6. Nothing in this Consent Order shall be construed as limiting in any way the ability of purchaser-investors to pursue restitution through private litigation; and
7. This Consent Order shall become final when entered.

So ordered at Hartford, Connecticut,
this 8th day of July 2024.

/s/
Jorge L. Perez
Banking Commissioner

CONSENT TO ENTRY OF ORDER

I, Lyndsey Wolfsmith, state on behalf of Vend Tech International, Inc., that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of Vend Tech International, Inc.; that Vend Tech International, Inc., agrees freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that Vend Tech International, Inc. consents to the entry of this Consent Order.

Vend Tech International, Inc.

By: _____/s/_____
Lyndsey Wolfsmith
Executive Vice President

State of: Illinois

County of: Will

On this the 22nd day of June, 2024, before me, the undersigned officer, personally appeared Lyndsey Wolfsmith, who acknowledged herself to be the Executive Vice President of Vend Tech International, Inc., a corporation, and that she, as such Executive Vice President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by herself as Executive Vice President.

In witness whereof I hereunto set my hand.

_____/s/_____
Notary Public / Commissioner of the Superior Court
Date Commission Expires: 12-13-25