

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

4 IN THE MATTER OF DETERMINING) Order Number S-09-374-11-SC01
5 Whether there has been a violation of the)
6 Franchise Investment Protection Act of) STATEMENT OF CHARGES AND NOTICE
7 Washington by:) OF INTENT TO ENTER ORDER TO CEASE
8) AND DESIST
9)
10 Vannox Diversified Entertainment, Inc. d/b/a)
11 Astro Jump and Astro Events)

12 Respondent

13 THE STATE OF WASHINGTON TO: Vannox Diversified Entertainment, Inc. d/b/a
14 Astro Jump and Astro Events

15 **STATEMENT OF CHARGES**

16 Please take notice that the Securities Administrator of the State of Washington has reason
17 to believe that Respondent, Vannox Diversified Entertainment, Inc. d/b/a Astro Jump and Astro
18 Events has violated the Franchise Investment Protection Act of Washington, RCW 19.100, and
19 that its violations justify the entry of an order of the Securities Administrator under RCW
20 19.100.248 against it to cease and desist from such violations. The Securities Administrator
21 finds as follows:

22 **TENTATIVE FINDINGS OF FACT**

23 Respondent

24 1. Vannox Diversified Entertainment, Inc. ("VDE") is a California corporation
25 doing business as Astro Jump and Astro Events. Its principal place of business is at 47 Paul
Drive, #9, San Rafael, California 94903.

1 Nature of the Offering

2 2. VDE owns the federally registered trademarks “Astro Jump” and Astro Events.”
3 VDE is in the business of providing information and intellectual property (including trademarks,
4 trade names, advertising copy, and logos) to businesses operating within the entertainment event
5 industry, specifically the rental of inflatable party equipment and related paraphernalia and
6 services.

7 3. In November of 2004, VDE and a Washington resident entered into an agreement
8 entitled “Licensing Agreement” (the “agreement”) to facilitate his party rental business. Prior to
9 entering into the agreement, VDE provided nothing other than a draft of the agreement to the
10 Washington resident.

11 4. Pursuant to the agreement, VDE granted the Washington resident the exclusive
12 right to use the names “Astro Jump” and/or “Astro Events” in the Seattle metropolitan area. VDE
13 permitted the Washington resident to use advertising copy owned by VDE and required the
14 Washington resident to use the names Astro Jump and/or Astro Events when using such
15 advertising copy.

16 5. The agreement also granted the Washington resident the right to advertise his
17 business on two websites owned and maintained by VDE, www.astrojump.com and
18 www.astroevents.net. These websites were the only websites that the Washington resident could
19 promote during the agreement’s term. The agreement further granted the Washington resident
20 the right to use the phone number 1-800-244-JUMP, which VDE owns, when promoting his
21 business.

22 6. The Washington resident was also granted the right to use “Astro Soft,” VDE’s
23 reservation and operations computer software. The Washington resident agreed to enter all
24 reservations into Astrosoft and to use Astrosoft to report any cancellations and payment
25

1 reconciliations. VDE's President, R. Sloat Van Winkle, trained the Washington resident on the
2 use of Astrosoft shortly after the agreement was signed.

3 7. VDE also provided an operations manual to the Washington resident after the
4 agreement was signed.

5 8. In exchange for these rights and services, the Washington resident agreed to pay
6 VDE five percent of the monthly gross revenues generated by the sale and/or renting of event
7 entertainment equipment and services in any business he operated under the name Astro Jump or
8 Astro Events.

9
10 Ongoing offer

11 9. The website www.astrojump.com includes a page headed "Business Opportunity
12 Request." This page encourages persons wishing to start an "inflatable business" to "[j]oin the
13 Astro Events Family...and have fun while MAKING MONEY!"

14 10. The page further states that VDE has a "proven system" that allows a prospective
15 purchaser to "start with a low investment, be fully trained in all aspects of the business operation,
16 including a complete reservation system and national marketing, enabling [a purchaser] to build
17 an excellent business that grows every year."

18 11. Prospective purchasers are also invited to submit their contact information to
19 VDE through this page.

20
21 Failure to Deliver Offering Circular

22 12. VDE did not provide the Washington resident with a disclosure document or
23 offering circular as required by RCW 19.100.080 that contained the information about the
24 franchise required by RCW 19.100.040.

1 Registration Status

2 13. Vannox Diversified Entertainment, Inc. is not registered to sell franchises in the
3 state of Washington and has not previously been so registered.

4 **CONCLUSIONS OF LAW**

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

6 1. The offer or sale of franchises described above constitutes the offer or sale of a
7 franchise as defined in RCW 19.100.010(4) and RCW 19.100.010(16).

8 2. The offer or sale of said franchise is in violation of RCW 19.100.020 because no
9 registration for such offer or sale is on file with the Securities Administrator.

10 3. The offer and/or sale of the above-described franchise was made in violation of
11 RCW 19.100.080 because Respondent did not provide the Washington franchisee with a
12 disclosure document or offering circular as required by RCW 19.100.040 prior to the sale of the
13 franchise.
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16 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

17 Based on the above Tentative Findings of Fact and Conclusions of Law, the Securities
18 Administrator intends to order that Vannox Diversified Entertainment, Inc., d/b/a Astro Jump
19 and Astro Events its agents and employees each shall cease and desist from violations of RCW
20 19.100.020 and RCW 19.100.080.
21

22 **AUTHORITY AND PROCEDURE**

23 This Order is entered pursuant to the provisions of RCW 19.100.248 and RCW
24 19.100.130 and is subject to the provisions of RCW 34.05. Vannox Diversified Entertainment,
25 Inc. d/b/a/ Astro Jump and Astro Events may make a written request for a hearing as set forth in

1 the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING
2 accompanying this order.

3 If the respondent does not request a hearing, the Securities Administrator intends to adopt
4 the above Tentative Findings of Fact and Conclusions of Law as final and enter a permanent
5 order to cease and desist as to the respondent.
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8 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**
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11 DATED AND ENTERED this 18th day of February, 2011.
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15
16 WILLIAM M. BEATTY
Securities Administrator

17 Approved by:

18 

19 SUZANNE SARASON
20 Chief of Enforcement

Presented by:



Edward R. Thunen
Enforcement Attorney