# STATE OF WASHINGTON

1	DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION
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3	IN THE MATTER OF DETERMINING  whether there has been a violation of the  Order No.: S-11-0772-11-C001  )
,	Business Opportunity Fraud Act by: ) CONSENT ORDER
4	ATComm ATM, LLC; )
5	George Huntington,
6	Respondents.
7	THE STATE OF WASHINGTON TO: ATComm ATM, LLC;
8	George Huntington
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	INTRODUCTION
10	Pursuant to the Business Opportunity Fraud Act of Washington, RCW 19.110, the Securities Division an
11	Respondents, ATComm ATM, LLC and George Huntington, do hereby enter into this CONSENT ORDER is
12	settlement of the matters alleged herein. Respondents, ATComm ATM, LLC and George Huntington, neither adm
13	nor deny the Tentative Findings of Fact or Conclusions of Law as stated below.
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15	FINDINGS OF FACT
16	I. Respondents
10	ATComm ATM, LLC is a limited liability corporation incorporated under the laws of the State of Washingto
17	with a principal place of business at 14013 100th St Ct KPN, Gig Harbor, WA 98329. George Huntington is the sol
18	with a principal place of business at 14013 100th St Ct KrN, Gig Harbor, WA 98329. George Huntington is the sor
19	member and manager of ATComm ATM, LLC.
20	II. Nature of Offering
21	Since about November of 2010, ATComm ATM, LLC and George Huntington have engaged in the business

of selling automatic teller machines ("ATMs"). ATComm ATM, LLC and George Huntington charge approximately \$5,000 per machine and an additional \$2,000 in order to find a location for the ATM, if the buyer so desires. Once the ATM is placed, the owner typically receives \$2.00 per transaction, the proprietor of the location receives \$0.50 per transaction, and the Respondents receive \$0.25.

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At least three Washington residents purchased ATMs and location finding services from Respondents, paying \$16,305.00, \$18,000.00 and \$19,020.00 respectively for three ATMs each. Two purchasers bought the Respondents' location finding services for all of their ATMs. Respondents provided the third purchaser with location finding services free of charge, and found one ATM location for the third purchaser. Respondents told one purchaser that one ATM could earn between \$300 and \$500 per month, depending on location. Respondents told a second purchaser that one ATM could earn \$600 per month, depending on location. Respondents told a third purchaser that three machines could earn an income of \$34,000 per year, depending on location. Respondents also told purchasers that if a particular location did not earn a satisfactory income, they could always move their ATMs.

### **Misrepresentations and Omissions**

Respondents maintained an advertisement on the website bizquest.com. The advertisement represented that "The typical usage on outdoor locations is about two to three times that of indoor locations, typically anywhere from 8 to 15 transactions per day." Based upon that representation, and the \$2.00 per transaction fee that the owner of the ATM receives, the advertisement represented that "if you had 5 locations doing that average, you could profit \$4500+ per month or up too [sic] and beyond \$54000 per year!" The advertisement further stated, "These numbers are not exaggerated and there is truly no other passive business with returns that are this real or reliable in any conventional investment opportunity out there."

Respondents maintained an advertisement on the website ebay.com with substantially similar claims.

Two of the purchasers contacted Respondents about purchasing ATMs after seeing the Internet advertisements Respondents maintained on bizquest.com and ebay.com.

Respondents did not possess, and did not disclose to any of the Washington purchasers, data to substantiate the claim that an outdoor ATM has a typical usage about two to three times that of an indoor ATM. Respondents did not possess, and did not disclose to any of the Washington purchasers, data to substantiate the claim that an outdoor ATM has a typical usage of eight to fifteen transactions per day. Respondents also failed to disclose the fact that they did not possess such substantiating data.

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Respondents also did not disclose to any of the Washington purchasers the financial condition of Respondents.

### III. Failure to Deliver Disclosure Document

Respondents failed to give any of the Washington purchasers a disclosure document with the disclosures required by RCW 19.110.070.

## IV. Failure to Provide Cancellation Period

The contracts that the Washington purchasers entered into did not have any cancellation clause or any of the notices required by RCW 19.110.110(4).

## V. Registration Status

Respondents, ATComm ATM, LLC and George Huntington, are not currently registered to sell their business opportunities in the state of Washington and have not previously been so registered.

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

#### **CONCLUSIONS OF LAW**

I.

The offers and/or sales of automatic teller machines combined with Respondents' offer to find locations for such automatic teller machines as described above constitutes the offer and/or sale of a business opportunity as described in RCW 19.110.020.

II.

The offer and/or sale of said business opportunities was in violation of RCW 19.110.050 because no registration for such offer and/or sale is on file with the Securities Administrator, state of Washington.

III.

The offer and/or sale of said business opportunities was in violation of RCW 19.110.070 because Respondents failed to provide any Washington investor with a disclosure document as required by RCW 19.110.070.

VI.

The offer and/or sale of said business opportunities was in violation of RCW 19.110.110 because Respondents failed to provide any Washington investor with the contract provisions required by RCW 19.110.110(4).

VII.

The offer and/or sale of said business opportunities was in violation of RCW 19.110.120 because Respondents failed to make the disclosures required by RCW 19.110.070, including but not limited to financial statements for ATComm ATM, LLC and George Huntington, and failed to provide an adequate basis for their earnings claims.

#### **CONSENT ORDER**

Based upon the foregoing and finding it in the public interest:

IT IS AGREED AND ORDERED THAT Respondents, ATComm ATM, LLC and George Huntington, their agents and employees shall each cease and desist from offering or selling business opportunities in violation of RCW 19.110.050, the registration section of the Business Opportunity Fraud Act of the state of Washington.

IT IS FURTHER AGREED AND ORDERED THAT Respondents, ATComm ATM, LLC and George Huntington, their agents and employees shall each cease and desist from violating RCW 19.110.070, the disclosure document section of the Business Opportunity Fraud Act of the state of Washington.

IT IS FURTHER AGREED AND ORDERED THAT Respondents, ATComm ATM, LLC and George Huntington, their agents and employees shall each cease and desist from violating RCW 19.110.110, the business opportunity contract section of the Business Opportunity Fraud Act of the state of Washington.

IT IS FURTHER AGREED AND ORDERED THAT Respondents, ATComm ATM, LLC and George Huntington, their agents and employees shall each cease and desist from violating RCW 19.110.120, the anti-fraud section of the Business Opportunity Fraud Act of the state of Washington.

IT IS FURTHER AGREED that the Respondents ATComm ATM, LLC and George Huntington shall be jointly and severally liable for and shall pay the investigative costs incurred in the investigation of this matter in the amount of \$1,000. The Respondents shall pay \$500 before the entry of this Consent Order, and shall make payments of \$500 per month for one (1) month. Each payment shall be due by the last day of the month. The first payment shall be due by December 31, 2011.

IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.

IT IS FURTHER AGREED that Respondents, ATComm ATM, LLC and George Huntington, enter into this Consent Order freely and voluntarily and with full understanding of its terms and significance.

IT IS FURTHER AGREED that in consideration of the foregoing, ATComm ATM, LLC and George Huntington, waive their rights to a hearing and to judicial review of this matter.

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## WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

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2 3	Signed this <u>22nd</u> day of <u>November</u> 2011.
5	ATComm ATM, LLC by:
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9	Signed by:
10	George Huntington, Individually
12	SIGNED and ENTERED this <u>28th</u> day of <u>November</u> 2011.
14	Milliantes
16	William M. Beatty Securities Administrator
18	Approved by: Presented by:
20	An Elm Wom milling
22	Suzanne Sarason William McGinty Chief of Enforcement Financial Legal Examiner
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