1 2	STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION		
3 4 5 6 7 8 9	IN THE MATTER OF DETERMINING Whether there has been a violation of the Business Opportunity Fraud Act of the State of Washington by: Dan Mollenhauer and Lee Maddux, dba A-MAZ-ING Concepts, their employees and agents, <u>Respondents.</u> THE STATE OF WASHINGTON TO:	SDO - 8 - 99 SUMMARY ORDER TO CEASE AND DESIST Case No. 99-01-0021 Dan Mollenhauer and Lee Maddux	
10		dba A-MAZ-ING Concepts N. 7302 Palmer Road Spokane, WA 99207	
11 12 13	STATEMENT OF CHARGES Please take notice that the Securities Administrator of the State of Washington has reason to believe		
14 15	that Respondents have violated the Business Opportunity Fraud Act and that their violations justify the entry of an order of the Securities Administrator under RCW 19.110.150 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such		
 16 17 18 19 20 21 	violations would be hazardous to the investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows: TENTATIVE FINDINGS OF FACT I. Dan Mollenhauer and Lee Maddux, doing business as (dba) A-MAZ-ING Concepts, maintain a		
21 22 23 24	principal business address of N. 7302 Palmer Road, Spokane, Washington. Dan Mollenhauer and Lee Maddux, dba A-MAZ-ING Concepts, are the sellers of vending equipment for gumball candy to enable purchasers to establish businesses which place the equipment in public areas (the vending opportunity).		
	SUMMARY ORDER TO CEASE AND DESIST 1	DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033	

Dan Mollenhauer and Lee Maddux, dba A-MAZ-ING Concepts, provide references to professional locators to assist purchasers of the vending opportunity for placement of the equipment they sell.

II.

On at least January 9, 1999, Dan Mollenhauer and Lee Maddux, dba A-MAZ-ING Concepts, appeared at the Entrepreneur Magazine Small Business Expo (Expo) held at the Seattle Center in Seattle, Washington. Promotional materials distributed by Mr. Mollenhauer and Ms. Maddux at the Expo offered prospective purchasers three "packages" ("Silver," "Gold" and "Platinum") ranging in price from \$1,595 to \$13,950 and consisting of various numbers of the gumball vending machines. Staff members with the Securities Division posing as prospective purchasers spoke with Mr. Mollenhauer and Ms. Maddux at the Expo. During discussions about the vending opportunity, both Mr. Mollenhauer and Ms. Maddux told the staff members that they would provide references to locator services for placement of the machines. One Securities Division staff member later called a telephone number given in the promotional material distributed at the show to request further information about the opportunity. The staff member subsequently received in the mail information which included a referral to a locating service operating in Washington. No disclosure document containing complete material information regarding Dan Mollenhauer and Lee Maddux, dba A-MAZ-ING Concepts, or the vending opportunity, including but not limited to a financial statement of the seller, was provided to prospective purchasers at the Expo or in response to the request for further information. III.

Dan Mollenhauer and Lee Maddux, dba A-MAZ-ING Concepts, are not currently registered with the Washington Securities Division to offer or sell business opportunities in the state of Washington and has not previously been so registered.

It is in the public interest that the offer and/or sale of the above-described vending opportunity in 23 violation of the Washington Business Opportunity Fraud Act cease. 24

SUMMARY ORDER TO CEASE AND DESIST

A-MAZ- ING Concepts

2

1	An emergency exists in that further offers and/or sales of the vending opportunity described above		
2	would be hazardous to investors and the public of this state.		
3	Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:		
4	CONCLUSIONS OF LAW		
5	I.		
6	The offer and/or sale of the vending opportunity as described in Tentative Findings of Fact I and		
7	II constitutes the offer and/or sale of a business opportunity as defined in RCW 19.110.020(1).		
8	II.		
9	The offer and/or sale of the vending opportunity as described in Tentative Findings of Fact I		
10	through II was made in violation of RCW 19.110.070 and RCW 19.110.120 (disclosure document and		
11	antifraud provisions of the Business Opportunity Fraud Act, respectively) because Respondents failed to		
12	provide prospective purchasers a complete disclosure document containing complete material information		
13	regarding the vending opportunity, including but not limited to a financial statement of the seller.		
14	III.		
15	The offer and/or sale of the vending opportunity as described in Tentative Findings of Fact I		
16	through III was made in violation of RCW 19.110.050(1) because no business opportunity registration has		
17	been made nor a permit issued to Respondents prior to advertising, soliciting, or making any offer and/or		
18	sale of the business opportunity in this state.		
19	The Securities Administrator finds that this action is necessary and appropriate in the public		
20	interest and for the protection of investors and that the public safety and welfare require emergency		
21	action.		
22	SUMMARY ORDER		
23	Based on the premises of the foregoing,		
24	IT IS THEREFORE HEREBY SUMMARILY ORDERED That Dan Mollenhauer and Lee		
	Maddux, dba A-MAZ-ING Concepts, and their employees and agents, each cease and desist from		
	SUMMARY ORDER TO CEASE AND DESIST 3 DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division		
	A-MAZ- ING Concepts PO Box 9033 Olympia, WA 98507-9033 (360) 902-8760		

1	violations of RCW 19.110.070 and RCW 19.110.120 (disclosure document and antifraud provisions,			
2	respectively) of the Business Opportunity Fraud Act.			
3	IT IS THEREFORE HEREBY SUMMARILY ORDERED That Dan Mollenhauer and Lee			
4	Maddux, dba A-MAZ-ING Concepts, and their employees and agents, each cease and desist from			
5	violations of RCW 19.110.050(1), the registr	ration requiremen	t provision of the Business Opportunity	
6	Fraud Act.			
7	AUTHOR	RITY AND PROC	CEDURE	
8	This Summary Order is entered purs	uant to the provis	ions of RCW 19.110.150 and chapter 34.05	
9	RCW. The Respondents may each make a w	vritten request for	hearing as set forth in the Notice of	
10	Opportunity to Defend and Opportunity for H	Hearing accompar	nying this order. A request for a hearing	
11	should be in writing and sent to Deborah R. I	Bortner, Securitie	s Administrator, Department of Financial	
12	Institutions, P.O. Box 9033, Olympia, Washi	ington 98507-903	3 to the attention of Brad Ferber. If a	
13	Respondent does not request a hearing as set forth in the Notice of Opportunity to Defend and			
14	Opportunity for Hearing, the Securities Administrator intends to adopt the Tentative Findings of Fact and			
15	Conclusions of Law as final and make this Summary Order to Cease and Desist permanent as to such			
16	Respondent.			
17	WILLFUL VIOLATION OF	F THIS ORDER I	S A CRIMINAL OFFENSE.	
18	Dated this	day of	, 1999.	
19				
20			Deborah R. Bortner	
21			Securities Administrator	
22				
23				
24	Presented by: Brad Ferber Securities Examiner	Approved by:	Michael E. Stevenson Chief of Compliance	
	SUMMARY ORDER TO CEASE AND DESIST A-MAZ- ING Concepts	4	DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 (360) 902-8760	

1 2	STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION		
3			
4	IN THE MATTER OF DETERMINING Whether there has been a violation	SDO - 8B - 99	
5	of the Business Opportunity Fraud Act of the State of Washington by:	NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING	
6	Dan Mollenhauer, dba A-MAZ-ING Concepts, Lee Maddux, their employees and agents,	Case No. 99-01-0021	
7	Respondents.		
8			
9	THE STATE OF WASHINGTON TO:	Don Mollenhauer and Lee Maddux dba A-MAZ-ING Concepts	
10		N. 7302 Palmer Road Spokane, WA 99207	
11			
12	YOU ARE HEREBY NOTIFIED that a Summary Order To Cease And Desist has been filed by the		
13	Department of Financial Institutions, a true and correct copy of which is attached and made a part hereof.		
14	YOU ARE HEREBY NOTIFIED that you may file an application for an adjudicative hearing before the		
15	Washington State Department of Financial Institutions on the Summary Order. Service of this notice is deemed		
16	complete upon deposit in the United States mail. <u>YOUR APPLICATION MUST BE RECEIVED BY THE</u>		
17	DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS FROM THE DATE YOU		
18	RECEIVED THIS NOTICE. If you demand a hearing, you will be notified of the time and place for the hearing		
19	at least seven (7) days in advance of the hearing date.		
20	At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be as		
21	informal as is practical within the requirements of the Administrative Procedure Act (see chapter 34.05 RCW).		
22	The hearing will be recorded. The primary concern will be getting to the truth of the matter insofar as the		
23	Summary Order is concerned. Technical rules of evidence will not be binding at the hearing except for the rules		
24	of privilege recognized by law. You have the right to present evidence and witnesses in your own behalf, and to		
	cross-examine those witnesses presented in support of the	ne Summary Order. You may require the attendance of	
	NOTICE OF OPPORTUNITY TO DEFEND AND 1 OPPORTUNITY FOR HEARING	DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033	
	A-MAZ-ING Concepts	Olympia, WA 98507-9033 (360) 902-8760	

witnesses by subpoena. If you are limited English- speaking or hearing impaired, you have the right to have an
 interpreter appointed at no cost to you, as discussed below.

3	INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-		
4	English-speaking cultural background, cannot readily speak or understand the English language, or if you or a		
5	witness for you is a person who, because of a hearing impairment or speech defect, cannot readily understand or		
6	communicate in spoken language, including persons who are deaf, deaf and blind, or hard of hearing, <u>AND</u>		
7	YOU NEED AN INTERPRETER, then a qualified interpreter will be appointed at no cost to you or to the		
8	witness. You may request the appointment of a qualified interpreter by indicating your request on the attached		
9	Application for Adjudicative Hearing form.		
10	YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not <u>RECEIVE</u>		
11	the Application for Adjudicative Hearing form within twenty (20) days from the date you received this notice,		
12	this will constitute a waiver of your right to a hearing and the director will find that you do not contest the		
13	allegations of the Summary Order. Upon such a finding by the director a final order will be immediately entered		
14	disposing of this matter and ordering you to cease and desist as described in the Summary Order. If you desire a		
15	hearing in this matter, please return the attached Application for Adjudicative Hearing to:		
16	Washington State Department of Financial Institutions Securities Division		
17	Attn: Brad Ferber		
18	Post Office Box 9033 Olympia, Washington 98507-9033		
19			
20	Dated this day of, 1999.		
21			
22	Deborah R. Bortner		
23	Securities Administrator		
24			
	NOTICE OF OPPORTUNITY TO DEFEND AND 2 DEPARTMENT OF FINANCIAL INSTITUTIONS OPPORTUNITY FOR HEARING 2 DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033		
	A-MAZ-ING Concepts Olympia, WA 98507-9033 (360) 902-8760		

1	STATE OF WASHINGTON		
2	DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION		
3			
4	IN THE MATTER OF DETERMINING Whether there has been a violation	SDO - 8C(1) - 99	
5	of the Business Opportunity Fraud Act of the State of Washington by:	APPLICATION FOR ADJUDICATIVE HEARING	
6	Dan Mollenhauer, dba A-MAZ-ING Concepts, Lee Maddux, their employees and agents,	Case No. 99-01-0021	
7	Respondents.		
8			
9	THE STATE OF WASHINGTON TO:	Dan Mollenhauer, dba A-MAZ-ING Concepts N. 7302 Palmer Road	
10		Spokane, WA 99207	
11			
12	If you wish to contest the Summary Or	der To Cease And Desist and have an adjudicative	
13	hearing, you must sign, date, and return this form within twenty (20) days of the date you received it, to:		
14	Washington State Department of Financial Institutions		
15	Securities Division Attn: Brad Ferber		
16	P. O. Box 9033 Olympia, Washington 98507-9033		
17	FAILURE TO RETURN THIS FORM SO THAT IT IS <u>RECEIVED</u> BY THE DEPARTMENT OF		
18	FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS OF THE DATE YOU RECEIVED IT WILL		
19	CONSTITUTE A DEFAULT AND WILL RESULT IN THE LOSS OF YOUR RIGHT TO AN		
20	ADJUDICATIVE HEARING AND WILL RESULT IN	N THE INFORMAL DISPOSITION OF YOUR CASE	
21	AS AUTHORIZED BY RCW 34.05.440. In that case the Director may proceed to resolve this matter without		
22	further notice or hearing. In such a case, the Director w	ill immediately enter an appropriate order in disposition	
23	of the Summary Order, to include prohibition against your engaging in certain business practices as described in		
24	the Summary Order.		
	INSTRUCTIONS: Circle your desired responses to iter	ms I, II, and III below.	
	APPLICATION FOR ADJUDICATIVE HEARING 1	DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division	
	A-MAZ-ING Concepts	PO Box 9033 Olympia, WA 98507-9033 (360) 902-8760	

Ш

1	I.		
2	I [REQUEST] [DO NOT REQUEST] a formal hearing in this matter.		
3	II.		
4	I [WILL] [WILL NOT] be represented by an attorney. His/her name, address, and telephone number		
5	are:		
6			
7			
8	III.		
9	I [REQUEST] [DO NOT REQUEST] that a qualified interpreter be appointed at no cost to me to		
10	interpret for (myself) or (my witness(es)). My, or my witness's(es'), primary language is		
11	(identify language). My, or my witness's(es'), hearing impaired status		
12	is(identify hearing impaired status). I understand that a		
13	qualified interpreter will be appointed at no cost to me or to my witness(es).		
14	IV.		
15	You have the right: To demand a hearing; to be represented by an attorney at your own expense; to		
16	subpoena witnesses to the hearing or subpoena the production of books or documents and to otherwise defend		
17	against the Summary Order.		
18	WARNING: FAILURE TO COMPLETE AND MAIL THIS DOCUMENT SO THAT IT IS		
19	RECEIVED BY THE SECURITIES DIVISION WITHIN 20 DAYS AFTER YOU RECEIVED THE		
20	SUMMARY ORDER TO CEASE AND DESIST WILL RESULT IN THE DISPOSITION OF THIS CASE		
21	AS AUTHORIZED BY RCW 34.05.440.		
22			
23			
24	Dated this day of, 1998.		
	Dan Mollenhauer, dba A-MAZ-ING Concepts		
	APPLICATION FOR ADJUDICATIVE HEARING 2 DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033		
	A-MAZ-ING Concepts Olympia, WA 98507-9033 (360) 902-8760		

1 2	Signature	
3	Address (if facing page is incorrect):	
4 5		
6		
7		
8		
9 10		
11		
12		
13		
14 15		
15		
17		
18		
19		
20 21		
21		
23		
24		
	APPLICATION FOR ADJUDICATIVE HEARING 3	DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033
	A-MAZ-ING Concepts	(360) 902-8760

1	STATE OF WASHINGTON		
2	DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION		
3			
4	IN THE MATTER OF DETERMINING Whether there has been a violation	SDO - 8C(2) - 99	
	Of the Business Opportunity Fraud Act of the	APPLICATION FOR ADJUDICATIVE	
5	State of Washington by:	HEARING	
6	Dan Mollenhauer, dba A-MAZ-ING Concepts, Lee Maddux, their employees and agents,	Case No. 99-01-0021	
7	Respondents.		
8		1	
9	THE STATE OF WASHINGTON TO:	Lee Maddux, dba A-MAZ-ING Concepts N. 7302 Palmer Road	
10		Spokane, WA 99207	
11			
12	If you wish to contest the Summary Order To Cease And Desist and have an adjudicative hearing, you		
13	must sign, date, and return this form within twenty (20) days of the date it you received it, to:		
14	Washington State Department of Financial Institutions		
15	Securities Division Attn: Brad Ferber		
16	P. O. Box 9033 Olympia, Washington 98507-9033		
17	FAILURE TO RETURN THIS FORM SO TH	AT IT IS <u>RECEIVED</u> BY THE DEPARTMENT OF	
18			
	FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS OF THE DATE YOU RECEIVED IT WILL		
19	CONSTITUTE A DEFAULT AND WILL RESULT IN		
20	ADJUDICATIVE HEARING AND WILL RESULT I	N THE INFORMAL DISPOSITION OF YOUR CASE	
21	AS AUTHORIZED BY RCW 34.05.440. In that case the Director may proceed to resolve this matter without		
22	further notice or hearing. In such a case, the Director will immediately enter an appropriate order in disposition		
23	of the Summary Order, to include prohibition against y	our engaging in certain business practices as described in	
24	the Summary Order.		
	INSTRUCTIONS: Circle your desired responses to ite	ems I, II, and III below.	
	APPLICATION FOR ADJUDICATIVE HEARING 1	DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division	
	A-MAZ-ING Concepts	PO Box 9033 Olympia, WA 98507-9033 (360) 902-8760	

Ш

Π

1	I.
2	I [REQUEST] [DO NOT REQUEST] a formal hearing in this matter.
3	П.
4	I [WILL] [WILL NOT] be represented by an attorney. His/her name, address, and telephone number
5	are:
6	
7	
8	III.
9	I [REQUEST] [DO NOT REQUEST] that a qualified interpreter be appointed at no cost to me to
10	interpret for (myself) or (my witness(es)). My, or my witness's(es'), primary language is
11	(identify language). My, or my witness's(es'), hearing impaired status
12	is(identify hearing impaired status). I understand that a
13	qualified interpreter will be appointed at no cost to me or to my witness(es).
14	IV.
15	You have the right: To demand a hearing; to be represented by an attorney at your own expense; to
16	subpoena witnesses to the hearing or subpoena the production of books or documents and to otherwise defend
17	against the Summary Order.
18	
19	WARNING: FAILURE TO COMPLETE AND MAIL THIS DOCUMENT SO THAT IT IS
20	RECEIVED BY THE SECURITIES DIVISION WITHIN 20 DAYS AFTER YOU RECEIVED THE
21	SUMMARY ORDER TO CEASE AND DESIST WILL RESULT IN THE DISPOSITION OF THIS CASE AS
22	AUTHORIZED BY RCW 34.05.440.
23	
24	
	APPLICATION FOR ADJUDICATIVE HEARING 2 DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Page 9022
	PO Box 9033 A-MAZ-ING Concepts Olympia, WA 98507-9033 (360) 902-8760

1	Dated this	day of	, 1999.
2	Lee Maddux, dba A-MAZ-ING Concepts		
3	Signature		
4			-
5	Address (if facing page is incorrect):	:	
6			-
7			-
8			-
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
	APPLICATION FOR ADJUDICATIVE HEARING	3	DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division
	A-MAZ-ING Concepts		PO Box 9033 Olympia, WA 98507-9033 (360) 902-8760

Π