1	STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS		
2	SECURITIES DIVISION		
3	IN THE MATTER OF DETERMINING	SDO - 10 - 00	
4	Whether there has been a violation		
5	of the Business Opportunity Fraud Act of the State of Washington by:	SUMMARY ORDER TO CEASE AND DESIST	
6	Vermiculture, Inc., Jeff Owens, their employees and agents,	Case No. 99-12-0383	
7	Respondents.		
8			
9	THE STATE OF WASHINGTON TO:	Vermiculture, Inc. Jeff Owens	
10		6000 S. Eastern Avenue, Suite #2D	
11		Green Valley, NV 89119	
12	STATEMENT	OF CHARGES	
13	Please take notice that the Securities Administrator of the State of Washington has reason to believe		
14	that Respondents, Vermiculture, Inc. and Jeff Owens, have violated the Business Opportunity Fraud Act and		
15	that their violations justify the entry of an order of the Securities Administrator under RCW 19.110.150 to		
16	cease and desist from such violations. The Securities Administrator finds that delay in ordering the		
17	Respondents to cease and desist from such violations w	yould be hazardous to the investors and to the public	
18	and that a Summary Order to Cease and Desist should I	be entered immediately. The Securities Administrator	
19	finds as follows:		
20	TENTATIVE FIN	DINGS OF FACT	
21	I.		
22	Vermiculture, Inc. ("Vermiculture") is a Neva	ada corporation with its principal place of business	
23	located at 6000 S. Eastern Avenue, Suite #2D, Green	Valley, Nevada. Vermiculture is the seller of an	
24	opportunity involving the growing of earthworms (the	e "earthworm opportunity"). Jeff Owens is a	
	representative of Vermiculture.		
	SUMMARY ORDER TO CEASE AND DESIST 1	DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division	
	Vermiculture, Inc.	PO Box 9033 Olympia, WA 98507-9033 (360) 902-8760	

2 Beginning in at least September, 1999, Respondents placed, or caused to be placed, a newspaper 3 advertisement in the Columbian published in Vancouver, Washington. Substantially similar advertisements were later placed in at least the months of October and November, 1999, in such other 4 Washington newspapers as the Eastside Journal published in Bellevue, the Yakima Herald-Republic 5 published in Yakima, and the Everett Herald published in Everett. The advertisements stated substantially 6 the following: "RAISE EARTHWORMS! \$1,000 per day potential..." On December 3, 1999, an 7 investigator with the Securities Division posing as a prospective Washington purchaser of the earthworm 8 opportunity called the telephone number that appeared in one such advertisement and spoke to an 9 10 individual who identified himself as Jeff Owens ("Owens"). Owens indicated that the name of the company responsible for the advertisement was Vermiculture, Inc. located in Nevada. Owens explained that there were three plans or levels offered to prospective worm growers priced at \$5,000, \$10,000, and 12 13 \$25,000. Owens noted that whatever plan was selected, it would take a grower three months to grow 14 sufficient worms to sell back a quantity to the company according to a buy-back contract. Owens mentioned that the going price per pound of worms was \$6.00. In a subsequent telephone conversation 15 with the investigator on December 6, 1999, Owens did mention that worms were a commodity and that 16 17 the buy back price could vary from \$4.00 to \$8.00 per pound. He also mentioned that Vermiculture could not guarantee earnings. The investigator requested and subsequently received by facsimile transmission 18 from Owens and Vermiculture, Inc. informational materials regarding the earthworm opportunity. The 19 20 materials included an "Earthworm Fact Sheet" describing life span, reproduction, living conditions, and space requirements for earthworms and a description of the three plans or "programs" offered by Vermiculture, Inc. The programs included 30,000, 75,000, or 300,000 breeder worms, growing 22 instructions, telephone support services, and shipping and were priced at \$5,000, \$10,000, and \$25,000, 23 respectively. The materials also included a "Growers Contract" to be signed by a purchaser of the 24 opportunity that included the following "Buy Back Policy": SUMMARY ORDER TO CEASE AND DESIST 2 DEPARTMENT OF FINANCIAL INSTITUTIONS

Vermiculture, Inc.

Securities Division PO Box 9033 Olympia, WA 98507-9033 (360) 902-8760

1 2 3	As per the terms stated in grower program # Seller will purchase worms from Buyer at the price of \$6.00 (six dollars US) per pound for the term of this contract. However, as in the case of all commodities, international markets fluctuate, and therefor our prices may change at any time without notice to purchaser. Any agreed buy back is contingent upon live delivery of product to Seller	
4	Vermiculture, Inc. and Jeff Owens failed to provide to the Securities Division investigator posing	
5	as a prospective Washington purchaser of the earthworm opportunity a disclosure document containing	
6	complete material information regarding the opportunity, including but not limited to a financial statement	
7	for Vermiculture, Inc., and failed to disclose that purchasers had a statutory right to rescind the purchase	
8	within seven days of signing a contract.	
9	III.	
10	Vermiculture, Inc. is not currently registered with the Washington Securities Division to offer or	
11	sell business opportunities in the state of Washington and has not previously been so registered.	
12	It is in the public interest that the offer and/or sale of the above-described earthworm opportunity	
13	in violation of the Washington Business Opportunity Fraud Act cease.	
14	An emergency exists in that further sales of the business opportunity described above would be	
15	hazardous to investors and the public of this state.	
16	Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:	
17	CONCLUSIONS OF LAW	
18	I.	
19	The offer and/or sale of the earthworm opportunity described in Tentative Finding of Fact	
20	I and II constitutes the offer and/or sale of a business opportunity as defined in RCW 19.110.020(1).	
21		
22	II.	
23	The offer and/or sale of the earthworm business opportunity as described in Tentative Findings of	
24	Fact I and II was made in violation of RCW 19.110.070 and RCW 19.110.120 because Respondents and	
	their employees and/or agents failed to provide to a Washington offeree a disclosure document containing	
	SUMMARY ORDER TO CEASE AND DESIST 3 Vermiculture, Inc. DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 (360) 902-8760	

1	complete material information regarding the earthworm opportunity, including but not limited to a	
2	financial statement for Vermiculture, Inc.,	
3	III.	
4	The offer and/or sale of the earthworm business opportunity as described in Tentative Findings of	
5	Fact I and II was made in violation of RCW 19.110.110 because Respondents and their employees and/or	
6	agents failed to disclose that purchasers had a statutory right to cancel a purchase within seven days of	
7	signing a contract.	
8	IV.	
9	The offer and/or sale of the earthworm business opportunity as described in Tentative Findings of	
10	Fact I through III was made in violation of RCW 19.110.050(1) because no business opportunity	
11	registration has been made nor a permit issued to Respondents for the offer and/or sale of the business	
12	opportunity in this state.	
13	The Securities Administrator finds that this action is necessary and appropriate in the public	
14	interest and for the protection of investors and that the public safety and welfare require emergency	
15	action.	
16	SUMMARY ORDER	
17	Based on the premises of the foregoing,	
18	IT IS THEREFORE HEREBY SUMMARILY ORDERED That Vermiculture, Inc., Jeff Owens,	
19	their employees and agents, each cease and desist from violations of RCW 19.110.070 and RCW	
20	19.110.120, the disclosure document requirement and antifraud provisions of the Business Opportunity	
21	Fraud Act, respectively.	
22	IT IS THEREFORE HEREBY SUMMARILY ORDERED That Vermiculture, Inc., Jeff Owens,	
23	their employees and agents, each cease and desist from violations of RCW 19.110.110, the provision of	
24	the Business Opportunity Fraud Act which requires disclosure of a cancellation period of a business	
	opportunity contract.	
	SUMMARY ORDER TO CEASE AND DESIST 4 DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division Vermiculture, Inc. Department of Financial Institutions (360) 902-8760	

1	IT IS THEREFORE HEREBY SUMMARILY ORDERED That Vermiculture, Inc., Jeff Owens,		
2	their employees and agents, each cease and desist from violations of RCW 19.110.050(1), the registration		
3	requirement provision of the Business Opportunity Fraud Act.		
4	AUTHORITY AND PROCEDURE		
5	This Summary Order is entered pursuant to the provisions of RCW 19.110.150 and chapter 34.05		
6	RCW. The Respondents may each make a written request for hearing as set forth in the Notice of		
7	Opportunity to Defend and Opportunity for Hearing accompanying this order. A request for a hearing		
8	should be in writing and sent to Deborah R. Bortner, Securities Administrator, Department of Financial		
9	Institutions, P.O. Box 9033, Olympia, Washington 98507-9033 to the attention of Brad Ferber. If a		
10	Respondent does not request a hearing as set forth in the Notice of Opportunity to Defend and		
11	Opportunity for Hearing, the Securities Administrator intends to adopt the Tentative Findings of Fact and		
12	Conclusions of Law as final and make this Summary Order to Cease and Desist permanent as to such		
13	Respondent.		
14	WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.		
15			
16	Dated thisday of, 2000.		
17			
18	Deborah R. Bortner		
19	Securities Administrator		
20	Presented by: Approved by:		
21	Brad Ferber Securities Examiner Chief of Compliance		
22			
23			
24			
	SUMMARY ORDER TO CEASE AND DESIST 5 DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division Vermiculture, Inc. PO Box 9033 Olympia, WA 98507-9033 (360) 902-8760		

1	STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS		
2	SECURITIES DIVISION		
3	IN THE MATTER OF DETERMINING	SDO - 10A - 00	
4	Whether there has been a violation of the Business Opportunity Fraud Act of the	NOTICE OF OPPORTUNITY TO DEFEND AND	
5	State of Washington by:	OPPORTUNITY FOR HEARING	
6	Vermiculture, Inc., Jeff Owens, their employees and agents,	Case No. 99-12-0383	
7	Respondents.		
8			
9	THE STATE OF WASHINGTON TO:	Vermiculture, Inc. Jeff Owens	
10		6000 S. East Avenue, Suite #2D Green Valley, NV 89119	
11		Green vaney, NV 89119	
12	YOU ARE HEREBY NOTIFIED that a Summa	ary 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. YOUR APPLICATION MUST BE RECEIVED BY THE		
17	DEPARTMENT OF FINANCIAL INSTITUTIONS WI	THIN TWENTY (20) DAYS FROM THE DATE YOU	
18	RECEIVED THIS NOTICE. If you demand a hearing, y	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 Ad	dministrative 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 eviden	ice will not be binding at the hearing except for the rules	
24	of privilege recognized by law. You have the right to pr	esent evidence and witnesses in your own behalf, and to	
	cross-examine those witnesses presented in support of the	he 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	
	Vermiculture, Inc.	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, AND
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, 2000.
21	
22	Deborah R. Bortner
23	Securities Administrator
24	
	NOTICE OF OPPORTUNITY TO DEFEND AND 2 DEPARTMENT OF FINANCIAL INSTITUTIONS OPPORTUNITY FOR HEARING Securities Division
	PO Box 9033 Vermiculture, Inc. (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 - 10B(1) - 00	
5	of the Business Opportunity Fraud Act of the State of Washington by:	APPLICATION FOR ADJUDICATIVE HEARING	
6	Vermiculture, Inc., Jeff Owens, their employees	Case No. 99-12-0383	
7	and agents,		
8	Respondents.		
9	THE STATE OF WASHINGTON TO:	Vermiculture, Inc. 6000 S. Eastern Avenue, Suite #2D	
10		Green Valley, NV 89119	
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 you received it, to:	
14	Washington State Department of Financial Inst Securities Division	itutions	
15	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	THE LOSS OF YOUR RIGHT TO AN	
20	ADJUDICATIVE HEARING AND WILL RESULT IN	THE INFORMAL DISPOSITION OF YOUR CASE	
21	AS AUTHORIZED BY RCW 34.05.440. In that case t	he 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 ye	our 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	
	Vermiculture, Inc.	PO Box 9033 Olympia, WA 98507-9033 (360) 902-8760	

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

		1	2000
1		day of	, 2000.
2	Vermiculture, Inc., by:		
3	Signature:		
4			_
5	Print Name and Title		
6			
7	Address (if facing page is incorrect):	:	
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	APPLICATION FOR ADJUDICATIVE HEARING	3	DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033
	Vermiculture, Inc.		Olympia, WA 98507-9033 (360) 902-8760

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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 - 10B(2) - 00	
	Of the Business Opportunity Fraud Act of the	APPLICATION FOR ADJUDICATIVE	
5	State of Washington by:	HEARING	
6	Vermiculture, Inc., Jeff Owens, their employees and agents,	Case No. 99-12-0383	
7	Respondents.		
8			
9	THE STATE OF WASHINGTON TO:	Jeff Owens	
10		6000 S. Eastern Avenue, Suite #2D Green Valley, NV 89119	
11			
	Kana and the Same Outer Tak		
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 Securities Division		
15	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	
	CONSTITUTE A DEFAULT AND WILL RESULT IN		
19			
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 t	he 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 ye	our 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	
	Vermiculture, Inc.	PO Box 9033 Olympia, WA 98507-9033 (360) 902-8760	

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

1	Dated this day of, 2000.
2	Jeff Owens, as a representative of Vermiculture, Inc., and individually:
3	Signature
4	
5	If an officer, director, manager, or other titled representative of Vermiculture, Inc., please so indicate:
6	
7	Address (if facing page is incorrect):
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	APPLICATION FOR ADJUDICATIVE HEARING 3 DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division
	Vermiculture, Inc. PO Box 9033 Olympia, WA 98507-9033 (360) 902-8760