

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF: COMPACT VENDING, INC.,)
Its officers and directors, agents, employees, affiliates,)
Successors and assigns.)
_____)

FILE NO. 0700192

ORDER TO CEASE AND DESIST

TO THE RESPONDENT: Compact Vending, Inc.
600 17th Street, Suite 2800 South
Denver, Colorado 80202

WHEREAS, a Summary Order to Cease and Desist ("the Summary Order") was issued by the Secretary of State on June 26, 2007, ordering Compact Vending, Inc. ("the Respondent") to CEASE and DESIST from offering or selling any business opportunities in the State of Illinois in violation of the provisions of the Business Opportunity Sales Law of 1995 [815 ILCS 602 et seq.] ("the Act"), until further the order of the Secretary of State.

WHEREAS, pursuant to Section 5-65(1) of the Act, the failure to request a hearing within thirty (30) calendar days after entry of the Summary Order shall be deemed to constitute a waiver of all rights by such person to a hearing and the cease and desist order as to such person shall become permanent.

WHEREAS, the Summary Order sent to the Respondent on June 26, 2007, by certified mail and was served on the Index Department on June 26, 2007.

WHEREAS, the Respondents has failed to request a hearing on the matters contained in the Summary Order within thirty (30) calendar days after entry of said Summary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the Summary Order as the Secretary of State's Final Findings of Fact:

1. That Compact Vending, Inc. (the "Respondent"), is a business entity which maintains its principal office at 600 17th Street, Suite 2800 South, Denver, Colorado 80202.
2. That on or about October 1, 2006 the Respondent placed an advertisement in the classified section of *The Herald News*, a newspaper of general circulation in Joliet, Illinois.

3. That said advertisement was for three combination snack and drink machines with locations ("Combo Machines"). A toll free telephone number ("800") 631-9320, was provided.
4. That at least one Illinois resident (the "Purchaser") responded to the ad by calling the 800 number.
5. That Respondent informed Purchaser that the Combo Machines would cost \$9950.00 including the sum of \$675.00 for locations, or the sum of \$225.00 per machine. If locations could not be supplied a full refund would be given upon receipt of returned machines.
6. That Respondent sold to Purchaser, the Combo Machines with locations, and Purchaser remitted fifty per cent of the \$9950.00 as requested with the balance due C.O.D. with the undisclosed freight fee. Respondent told the Purchaser that the Combo Machines would arrive by Thanksgiving.
7. That the Respondent never delivered the machines to Purchaser.
8. That the Purchaser called Respondent on numerous occasions leaving messages on voicemail but the Respondent never returned the Purchasers calls. Thereafter the Respondents telephone number was disconnected.
9. That Section 5-5.10(a)(6) of Business Opportunity Sales Law of 1995, [815 ILCS 602 ET seq.] (The "Act") provides, inter alia, that a business opportunity is a contract or agreement, between a seller and purchaser, express or implied, orally or in writing, wherein it is agreed that the seller or a person recommended by the seller shall provide to the purchaser any product, equipment, supplies or services enabling the purchaser to start a business when the purchaser is required to make a payment to the seller or a person recommended by the seller of more than \$500 and the seller represents directly or indirectly, orally or in writing, that: the seller or a person recommended by the seller will provide a marketing plan.
10. That the Compact Vending, Inc., Combo Machines package described in paragraphs three and five (3 & 5), constitutes a business opportunity as that term is defined in Section 5-5.10 of the Act.
11. That the activities described in paragraphs two, three and six (2-3 & 6), constitute an offer and sale as those terms are defined under Sections 5-5.20 and 5-5.40 of the Act.
12. That Section 5-25 of the Act provides, inter alia, that it is unlawful for any person to offer any business opportunity in this State unless the business opportunity is registered under the Act or is exempt under Section 5-10 of the Act.
13. That at all relevant times, Respondent, officers and directors, agents, employees, affiliates, successors and assigns, failed to register the business opportunity

Order to Cease and Desist

-3-

described in paragraphs three and five (3 & 5) as required pursuant to Section 5-25 of the Act.

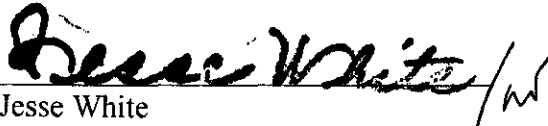
14. That, by virtue of the foregoing, the Respondent violated Section 5-25 of the Act.
15. That Section 5-65 of the Act provides, inter alia, that whenever it appears to the Secretary of State that any person has engaged in or is about to engage in any act or practice constituting a violation of any provision of this Law or any rule, regulation, or order under this Law, the Secretary of State may issue an order directing the person to CEASE and DESIST from continuing the act or practice.

NOW THEREFORE IT IS HEREBY ORDERED: That pursuant to Section 5-65 of the Act, Respondent, Compact Vending, Inc., its officers and directors, employees, agents, affiliates, successors and assigns are ordered to CEASE and DESIST from offering or selling any business opportunity in the State of Illinois in violation of provisions of the Act.

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 5-95(b)(2) of the Act. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 3 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Illinois Securities Act, [14 Ill. Admin. Code Ch. 1, Section 130.1123]. Any section for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

DATED: This 18th day of October 2007.


Jesse White
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Samuel F. Freiman
Office of the Secretary of State
Illinois Securities Department
69 West Washington, Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-3988