

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

IN THE MATTER OF: APEX COFFEE MACHINES,
its officers, and directors, agents, managers, employees,
members, affiliates, successors and assigns.

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) FILE NO. 1600980
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ORDER TO CEASE AND DESIST

TO THE RESPONDENTS: APEX COFFEE MACHINES
6800 Jericho Tpke, Ste 120W
Syosset, NY 11791

WHEREAS, a Summary Order to Cease and Desist was issued by the Secretary of State on January 31, 2017 ordering Apex Coffee Machines, its officers, directors, employees, agents, affiliates, successors and assigns, to cease and desist from offering or selling any business opportunities in the State of Illinois until further order of the Secretary of State.

WHEREAS, pursuant to Section 5-65(1) of the Business Opportunity Sales Law of 1995, [815 ILCS 602 et seq.] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the receipt of a Summary Order to Cease and Desist shall constitute a sufficient basis to make the Summary Order final.

WHEREAS, Apex Coffee Machines, its officers, directors, employees, agents, affiliates, successors and assigns have failed to request a hearing on the matters contained in the said Summary Order within thirty (30) calendar days of receipt of said Summary Order and Respondents are hereby deemed to have admitted the facts alleged in the said Summary Order.

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

1. Respondent Apex Coffee Machines ("APEX") is purportedly a New York based business entity maintaining a principal office at 6800 Jericho Tpke, Ste 120W, Syosset, New York 11791.

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2. Complainant MEY is an Illinois resident.
3. From at least September 2016 through the present, Respondent Apex, by and through its Officers, Directors, Partners, Employees, Affiliates, Successors, Agents and Assigns, offered both business and/or franchise opportunities via the internet at www.apexcoffeemachines.com, which was viewed by at least one (1) Illinois resident (the "Purchaser").
4. In or around September 2016, Complainant MEY received an unsolicited email from Respondent offering him a business opportunity to purchase coffee machines from Respondent enabling him to start a vending machine business.
5. After receiving the email, Complainant sent his contact information to Respondent Apex inquiring about the potential business opportunity.
6. In September 2016 Complainant received a phone call from a representative of Respondent Apex discussing a business opportunity and directing Complainant to review respondent's website.
7. After reviewing Respondent's website, on or about October 3, 2016, complainant entered into to an agreement with respondent to purchase four coffee vending machines from Respondent for \$23,800 and Respondent as part of the agreement would supply locations for vending machines to be placed.
8. On or about October 3, 2016, Complainant paid Respondent Apex a deposit of \$1,000.00 and on October 4, 2016 Complainant wired the remaining \$22,800.00 to Respondent Apex.
9. Between October 2016 and November 2016, Respondent Apex provided Complainant with locations to place the vending machines which had never ordered or agreed to have the machines placed.
10. According to Complainant after numerous unsuccessful attempts to obtain bona fide locations for the vending machines from Respondent Apex, its officers and directors, agents, employees, affiliates, successors and assigns, Respondent ceased all communication with complainant.
11. That Section 5-5.10(a) of Illinois 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

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or a person recommended by the seller will provide or assist the purchaser in finding locations for the use or operation of vending machines, racks, display cases or other similar devices, on premises neither owned nor leased by the purchaser or seller.

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 Apex, its officers and directors, agents, employees, affiliates, successors and assigns, failed to register the business opportunity described above as required pursuant to Section 5-25 of the Act.
14. By virtue of the foregoing, the Respondent Apex, its officers and directors, agents, employees, affiliates, successors and assigns violated Section 5-25 of the Act.
15. Section 5-95 of the Act provides that it shall be a violation of the Act for any person, in connection with the offer or sale of any business opportunity in this State or any offer or sale pursuant to the exemptions granted under subdivisions 5-10(a), (c), (d), or (h), directly or indirectly:
 - (1) To employ any devices, scheme, or artifice to defraud;
 - (2) To make any untrue statements of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; or
 - (3) To engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.
16. By virtue of the foregoing, Respondent Apex, its officers and directors, agents, employees, affiliates, successors and assigns violated Section 5-95(a)(1), (2) and (3) of the Act.
17. 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.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Summary Order as the Secretary of State's final Conclusions of Law as follows:

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1. That, by virtue of the foregoing, Apex Coffee Machines, by and through its officers, directors, employees, agents, affiliates, successor and assigns, has violated Section 5-25 of the Act; and
2. That, by virtue of the foregoing, Apex Coffee Machines, its officers, directors, employees, agents, affiliates, successors and assigns, are subject, pursuant to Section 5-65 of the Act, to an Order to Cease and Desist from offering and/or selling business opportunities in the State of Illinois.

NOW THEREFORE, IT IS HEREBY ORDERED: That pursuant to Section 5-65 of the Act, the Respondent, Apex Coffee Machines, its partners, officers and directors, employees, agents, affiliates, successors and assigns is hereby ordered to CEASE and DESIST from offering or selling any business opportunities in the State of Illinois or to residents of the State of Illinois.

DATED: This 18th day of July, 2017.



Jesse White
Secretary of State
State of Illinois

Date of Mailing: 18th day of July 20 17

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 5-95 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 this Order, shall be guilty of a Class 3 felony.

This is a Final Order subject to judicial review pursuant to the Administrative Review Law, 735 ILCS 5/3-101 et seq. and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. I, Sec. 130.1123. Any action 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. Mailing of this Order to the Respondent or representative of record constitutes service of the Order.

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