

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Business Opportunity Fraud Act of the
State of Washington by:

Combined Resource Systems, Inc., Barry Wise,
Kevin Hall, its owners, principals, officers, agents
and employees,

Respondents.

S-02-262-02-FO01

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL ORDER
TO CEASE AND DESIST

Case No.

THE STATE OF WASHINGTON TO:

Combined Resource Systems, Inc.
8275 S. Eastern Avenue, Suite 200
Las Vegas, Nevada 89123

Barry Wise, President
532 Startop Street
Henderson, Nevada 8905

On July 8, 2002, the Securities Administrator of the State of Washington issued Summary Order to Cease and Desist SDO-52-02 hereinafter referred to as "Summary Order."

The Summary Order, together with a Notice of Opportunity to Defend and Opportunity for Hearing (hereinafter referred to as "Notice of Opportunity for Hearing") and an Application for Adjudicative Hearing (hereinafter referred to as "Application for Hearing") thereon, were served via certified mail on Respondents on July 27, 2002. The Notice of Opportunity for Hearing advised Respondents that they had twenty days from the date they received the notice to file a written application for an administrative hearing on the

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

1 Summary Order. Combined Resource Systems, Inc., Barry Wise, and Kevin Hall failed to request an
2 administrative hearing within twenty days of receipt of the Statement of Charges and Notice of Opportunity
3 for Hearing, either on the Application for Hearing provided or otherwise.

4 The Securities Administrator therefore adopts as final the findings of fact and conclusions of law
5 as set forth in the Statement of Charges as to Combined Resource Systems, Inc., Barry Wise, and Kevin
6 Hall.

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9 **FINDINGS OF FACT**

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11 **I. Respondents**

- 12 1. Combined Resource Systems, Inc. (“CRS”) is a Nevada Corporation with its principal place of
13 business at 8275 S. Eastern Avenue, Suite 200, Las Vegas, Nevada 89123. CRS offers a
14 business opportunity involving vermiculture and the cultivation of worms.
15
16 2. Barry Wise (“Wise”) is the President of CRS and maintains a residence at 532 Startup Street,
17 Henderson, Nevada 89052.
18
19 3. Kevin Hall is an agent/employee of CRS, who engaged in sales activity with at least one resident
20 of the state of Washington.

21 **II. Nature of the Business Opportunity**

- 22 1. CRS maintains a website on the World Wide Web located at www.crsnv.com. The website is
23 available to residents of the state of Washington. The website describes a business opportunity in
24 which purchasers would engage in vermiculture. The science of vermiculture studies the

1 management of worms and the uses that are available in agriculture. The website describes the
2 necessity of raising worms due to the growing amounts of animal and agricultural waste. The
3 purchaser of the business opportunity would breed worms. These worms, the offspring and the
4 by-products produced by the worms could then be resold to CRS or to any other purchaser.

5 On May 29, 2002 a Washington resident requested information on the business opportunity via
6 email. Kevin Hall, a sales representative, responded the same day by sending an electronic version
7 of the marketing material. These materials included information regarding the "Worm Breeding
8 Packages". The material stated in part:

9 \$10,000 Package
10 100,000 worms (bed-run)
11 Shipped to you anywhere in the U.S.
12 3-year worm purchase agreement @ \$6 lb.
13 Buy-back of up to 2,000 lbs. per month.
14 CRS worm breeding instructions.
15 One year money back guarantee!

16 The informational material sent to the Washington resident did not include complete material
17 information relating to the vermiculture business opportunity, including but not limited to, a business
18 opportunity disclosure document. The materials also failed to include a financial statement for CRS
19 and a notice that purchasers have a statutory right to rescind the purchase within seven (7) days of
20 signing a contract.

21 Further, CRS failed to notify the Washington resident that the Pennsylvania Securities
22 Commission had issued a Summary Order to Cease and Desist on July 25, 2000, which ordered CRS
23 to immediately cease from offering and selling an unregistered business opportunity in the state of
24 Pennsylvania.

1 III. Registration Status

2 Combined Resource Systems, Inc. is not currently registered to sell its business opportunities in
3 the state of Washington and has not previously been so registered.

4
5 Based upon the above Findings of Fact, the following Conclusions of Law are made:

6
7 **CONCLUSIONS OF LAW**

8 I. Business Opportunity

9 The offer and/or sale of the vermiculture business opportunity offered by CRS described above
10 constitutes the offer and/or sale of a business opportunity as defined in RCW 19.110.020(1).

11 II. Registration of the Business Opportunity

12 The offer and/or sale of said business opportunity is in violation of RCW 19.110.050 because no
13 registration or notification of claim of exemption for such offer and/or sale is on file with the
14 Administrator of Securities, state of Washington.

15 III. Disclosure/Fraud

16 The offer and/or sale of said business opportunity was made in violation of RCW 19.110.120
17 because Respondents Combined Resource Systems, Inc., Barry Wise, its owners, principals, officers,
18 agents and employees, failed to provide material information concerning Combined Resource
19 Systems, Inc., the vermiculture business opportunity and the Summary Order to Cease and Desist
20 issued by Pennsylvania on July 25, 2000.
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FINAL ORDER

Based on the foregoing, NOW, THEREFORE, IT IS HEREBY ORDERED that Respondents, Combined Resource Group, Inc., Barry Wise, Kevin Hall, its owners, principals, officers, agents and employees, each cease and desist from offering and/or selling business opportunities in any manner in violation of RCW 19.110.050(1), the section of the Business Opportunity Fraud Act requiring registration.

It is further ORDERED That, Combined Resource Systems, Inc., Barry Wise, Kevin Hall, its owners, principals, officers, agents and employees, each cease and desist from offering and/or selling business opportunities in any manner in violation of RCW 19.110.070 and RCW 19.110.120, the disclosure document and the anti-fraud provisions of the Business Opportunity Fraud Act, respectively.

This order is issued pursuant to RCW 19.11.150 and is subject to the provisions of Chapter 34.05 RCW.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

DATED this 26th day of December 2002.



DEBORAH R. BORTNER
Securities Administrator

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Presented by:

Susan H. Anderson
Financial Legal Examiner

Approved by:

Michael E. Stevenson
Chief of Compliance