

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION

IN THE MATTER OF DETERMINING ) Order Number S-10-258-10-SC01  
Whether there has been a violation of the ) STATEMENT OF CHARGES AND NOTICE  
Business Opportunity Fraud Act of ) OF INTENT TO ENTER ORDER TO CEASE  
Washington by: ) AND DESIST  
)  
)  
Associated Capital Advance (ACA) LLC; )  
Sandy Hoffman )

Respondents

THE STATE OF WASHINGTON TO: Associated Capital Advance (ACA) LLC;  
Sandy Hoffman

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Associated Capital Advance (ACA) LLC and Sandy Hoffman, have each violated the Business Opportunity Fraud Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 19.110.150 against each to cease and desist from such violations. The Securities Administrator finds as follows:

**TENTATIVE FINDINGS OF FACT**

I.

Respondents

1. Associated Capital Advance (ACA) LLC (“ACA”) is a Michigan limited liability company with its principal place of business at 26677 West Twelve Mile Road, Southfield, Michigan 48034.

2. Sandy Hoffman (“Hoffman”) is the president of ACA.

1 II.

2 Nature of the Offering

3 3. ACA is the seller of a business opportunity that involves the solicitation of loan  
4 applications from merchants seeking credit card advances. ACA represents that it provides loans  
5 to merchants based on merchants' credit card receivables.

6 4. Purchasers of a business opportunity with ACA pay an initial investment fee to  
7 cover start up costs.

8 5. Purchasers of a business opportunity with ACA are told they will receive the right  
9 to become an "affiliate" of ACA and solicit loan applications for credit card advances within a  
10 defined geographical territory, a commission based on a percentage of each loan the purchaser  
11 generates, a "steady flow of leads" through ACA's "sophisticated mail prospecting system," and  
12 marketing materials, including an outline of the business, a promotional CD and business cards.

13 6. In 2009, ACA placed an advertisement in the classifieds section of *USA Today*  
14 which read substantially as follows:

15  
16 AFFILIATE CAN EARN  
17 \$100,000/YEAR  
18 PLUS Residual Income  
19 Providing OUR money to Biz  
20 NO SELLING!  
21 Capital Advance (248) 358-6922

22 7. Based on representations made in the advertisement, a resident of the state of  
23 Washington contacted Hoffman at ACA around August 2009.

24 8. Hoffman assured the resident that the resident could become an "affiliate" of  
25 ACA for the state of Washington, and would receive a "steady flow of leads" through ACA's  
"sophisticated mail prospecting system."



1 business opportunities in the state of Washington and has not previously been so registered.

2 IV.

3 Misrepresentations and Omissions

4 19. ACA failed to provide material information regarding its business opportunity,  
5 including, but not limited to, a written disclosure document, including financial statements of the  
6 company, and information on which revenue projections for the business opportunity were made.  
7

8 20. ACA failed to disclose that ACA executed a Stipulation to Enter a Consent Order  
9 of Prohibition, issued by the State of Illinois, Secretary of State, Securities Division, on July 28,  
10 2009 for the offer and/or sale of unregistered and non-exempt business opportunities. On August  
11 4, 2009, a Consent Order to Cease and Desist Except in Compliance was entered against ACA.

12 21. ACA failed to provide the promised marketing program(s) and material(s) to at  
13 least one "affiliate."

14 22. ACA has repeatedly failed to consider at least one loan application submitted by  
15 an "affiliate."  
16

17 Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:

18 **CONCLUSIONS OF LAW**

19 I.

20 1. The offer or sale of business opportunities described above constitutes the offer  
21 or sale of a business opportunity as defined in RCW 19.110.020 and RCW 19.110.030(1).  
22

23 II.

24 2. The offer or sale of said business opportunities is in violation of RCW 19.110.050  
25 because no registration for such offer or sale is on file with the Securities Administrator.

1  
2 III.

3 3. The offer or sale of said business opportunities was made in violation of  
4 RCW 19.110.070 and RCW 19.110.120 because ACA failed to provide prospective purchaser  
5 with the required written disclosure document containing complete and material information  
6 regarding the business opportunity.  
7

8 IV.

9 4. The offer or sale of said business opportunities was made in violation of  
10 RCW19.110.120 because ACA made misstatements of material fact(s) and/or omitted material  
11 fact(s) and/or engaged in act(s) and practice(s) that operated as fraud or deceit.  
12

13 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

14 Based on the above Tentative Findings of Fact and Conclusions of Law, the Securities  
15 Administrator intends to order that Respondents, Associated Capital Advance (ACA) LLC and  
16 Sandy Hoffman, and their agents and employees, each shall cease and desist from violations of  
17 RCW 19.110.050, RCW 19.110.070 and RCW 19.110.120.  
18

19 **AUTHORITY AND PROCEDURE**

20 This Order is entered pursuant to the provisions of RCW 19.110.150 and is subject to the  
21 provisions of RCW 34.05. Respondents, Associated Capital Advance (ACA) LLC and Sandy  
22 Hoffman, may each make a written request for a hearing as set forth in the NOTICE OF  
23 OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this  
24 order.  
25

1 If a respondent does not request a hearing, the Securities Administrator intends to adopt  
2 the above Tentative Findings of Fact and Conclusions of Law as final and enter an order to cease  
3 and desist permanent as to that respondent.  
4

5 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

6 Dated this 10th day of September, 2010.  
7  
8  
9

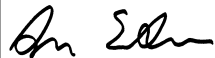
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WILLIAM M. BEATTY  
12 Securities Administrator

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15 Approved By:

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17  
18 Suzanne Sarason  
19 Chief of Enforcement

Presented By:

20 

21 Tracy Ke  
22 Legal Extern  
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24  
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