

**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
Washington by:

Robert B. McDonald, RBM Merchandising, its
agents and employees,

Respondents.

SDO - 25 - 00

SUMMARY ORDER TO CEASE AND DESIST

Case No. 00-01-011

THE STATE OF WASHINGTON TO: Robert B. McDonald
RBM Merchandising
P.O. Box 759
Lake Zurich, IL 60047-0759

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Robert B. McDonald, RBM Merchandising, its agents and employees, have 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 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to the investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

SUMMARY ORDER TO CEASE AND DESIST
RBM Merchandising

1

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

1 **TENTATIVE FINDINGS OF FACT**

2 I.

- 3 1. RBM Merchandising maintains a business address at P.O. Box 759, Lake Zurich, IL. RBM Merchandising is
4 the seller of an opportunity involving payment for in-home mail processing.
5 2. Robert B. McDonald is the president of RBM Merchandising.

6 II.

7 In September of 1999, Respondents Robert B. McDonald and RBM Merchandising mailed or caused to be
8 mailed a promotional flyer concerning its' home mail processing opportunity to at least one resident of the state of
9 Washington. The flyer stated, in part:

10 Are you interested in making some BIG MONEY? If so, read this letter NOW!. . . We are distributorships of
11 burglar alarms and we are looking for people to help mail our advertisements to people on our mailing list. . . You
12 can mail as many ads as you want so your sales potential and EARNINGS ARE UNLIMITED!

13 The flyer provided that offerees were required to send to Respondent an application fee of \$17.00. The flyer
14 also provided the following:

15 If you are not satisfied with our program when you receive it, just return it for a refund of the \$17.00 fee. WE
16 GUARANTEE YOU CAN MAKE BACK \$400 OR MORE YOUR FIRST DAY SIMPLY BY FOLLOWING
17 OUR INSTRUCTIONS!

18 No other disclosure document containing material information regarding the mail processing opportunity
19 and RBM Merchandising accompanied or was referenced in the flyer, including, but not limited to, a current
20 financial statement of the seller.

21 III.

22 RBM Merchandising is not currently registered to sell its business opportunities in the state of Washington
23 and has not previously been so registered. It is in the public interest that the offer and/or sale of the above-
24 described mail processing opportunity in violation of the Washington Business Opportunity Fraud Act cease.

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IV.

The Securities Administrator finds that further sales of unregistered business opportunities in the manner described above presents a threat to the investing public.

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

CONCLUSIONS OF LAW

I.

The offer and/or sale of the mail processing opportunity as described above constitutes the offer and/or sale of a business opportunity as defined in RCW 19.110.020(1).

II.

The offer and/or sale of said mail processing opportunity is in violation of RCW 19.110.050(1) because no business opportunity registration was made nor a permit issued to Respondent by the Securities Administrator, prior to the advertising, soliciting, or making of any offer and/or sale of the business opportunity in this state.

III.

The offer and/or sale of said business opportunity was made in violation of RCW 19.110.070 and RCW 19.110.120, the disclosure document and antifraud provisions of the Business Opportunity Fraud Act, respectively, because Respondents failed to provide prospective purchasers a complete disclosure document containing complete material information regarding the mail processing opportunity, including but not limited to a financial statement of the seller.

IV.

The Securities Administrator finds that an emergency exists, that the continued violations of RCW 19.110.050(1), RCW 19.110.070 and RCW 19.110.120 constitute a threat to the investing public, and that a summary order to cease and desist from those violations are in the public interest and necessary for the protection of the investing public.

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SUMMARY ORDER

Based on the foregoing,

IT IS THEREFORE HEREBY SUMMARILY ORDERED That Robert B. McDonald, RBM Merchandising, and its 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 SUMMARILY ORDERED that respondents, Robert B. McDonald, RBM Merchandising, and its agents and employees each cease and desist from violation of RCW 19.110.170 and RCW 19.110.120, the disclosure document and antifraud provisions, of the Business Opportunity Fraud Act, respectively.

AUTHORITY AND PROCEDURE

This Order is entered pursuant to the provisions of RCW 19.110.150, and is subject to the provisions of Chapter 34.05 RCW. The Respondents may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order. A request for a hearing should be in writing and sent to Deborah R. Bortner, Securities Administrator, Department of Financial Institutions, P.O. Box 9033, Olympia, Washington 98507-9033 to the attention of Chad Standifer.

If a respondent does not request a hearing, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and make the summary order to cease and desist permanent as to that respondent.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

1 DATED this _____ day of February, 2000.
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3

4 _____
DEBORAH R. BORTNER
5 Securities Administrator

6 Approved By:

7 Presented by:

8 _____
Michael E. Stevenson
9 Chief of Compliance

10 _____
Chad Standifer
11 Securities Examiner

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24 SUMMARY ORDER TO CEASE AND DESIST
25 RBM Merchandising

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26 DEPARTMENT OF FINANCIAL INSTITUTIONS
27 Securities Division
PO Box 9033
Olympia, WA 98507-9033
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**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 by:

Robert B. McDonald, RBM Merchandising, its'
employees and agents,

Respondents.

SDO - 25B(1) - 00

NOTICE OF OPPORTUNITY TO DEFEND AND
OPPORTUNITY FOR HEARING

Case No. 00-01-011

THE STATE OF WASHINGTON TO: RBM Merchandising

YOU ARE HEREBY NOTIFIED that a SUMMARY ORDER TO CEASE AND DESIST (“the Order”), a true and correct copy of which is attached and made part hereof, has been entered against you by the Washington State Department of Financial Institutions, Securities Division.

YOU ARE HEREBY NOTIFIED that you may file an application for an adjudicative hearing before an administrative law judge as Presiding Officer, upon the allegations supporting and ground for the agency action as set forth in the Order. YOUR APPLICATION MUST BE RECEIVED BY THE SECURITIES DIVISION WITHIN TWENTY (20) DAYS FROM THE DATE THAT YOU RECEIVE THIS NOTICE. If you demand a hearing, you will be notified of the date, time, and hearing location will be mailed to you at least seven (7) days in advance.

At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be recorded and will be conducted according to the Administrative Procedure Act, Ch. 34.05 RCW. The primary concern of the Administrative Law Judge, and, ultimately, the Director of the Department of Financial Institutions, will be to determine the truth of the matters asserted in the Order. Technical rules of evidence will not be binding at the hearing except for the rules of privilege recognized by law. You have the right to present evidence and witnesses

NOTICE OF OPPORTUNITY TO DEFEND AND
OPPORTUNITY FOR HEARING

RBM Merchandising

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
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360-902-8760

1 in your own behalf who will be subject to cross examination, to cross examine those witnesses presented in
2 support of the Order, to examine such documentary evidence as may be produced against you, and to conduct
3 discovery as is authorized in such proceedings. You may require the attendance of witnesses by subpoena,
4 pursuant to RCW 34.05.446. If you are limited English-speaking or hearing impaired, you have the right to have
5 an interpreter appointed at no cost to you, as discussed below.

6 INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-English-
7 speaking cultural background, cannot readily speak or understand the English language, or if you or a witness for
8 you is a person who, because of a hearing impairment or speech defect, cannot readily understand or communicate
9 in spoken language, including persons who are deaf, deaf and blind, or hard of hearing, AND YOU NEED AN
10 INTEPRETER, then a qualified interpreter will be appointed at not cost to you or to the witness. You may request
11 the appointment of a qualified interpreter by indicating your request on the attached Application for Adjudicative
12 Hearing form.

13 YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not RECEIVE the
14 Application for Adjudicative Hearing form within twenty (20) days from the date you receive this notice, this will
15 constitute a waiver of your right to a hearing in accordance with Ch. 34.05 RCW, and the director will find that
16 you do not contest the allegations of the Summary Order. Upon such a finding by the director, a final order will be
17 immediately entered disposing of this matter and ordering you to cease and desist as described in the Summary
18 Order. If you desire a hearing in this matter, please return the attached Application for Adjudicative Hearing to:

19 Washington State Department of Financial Institutions
20 Securities Division
21 Attn: Chad Standifer
22 P.O. Box 9033
23 Olympia, WA 98507-9033

24 DATED this _____ day of February, 2000.

25 _____
26 DEBORAH R. BORTNER
27 Securities Administrator

NOTICE OF OPPORTUNITY TO DEFEND AND
OPPORTUNITY FOR HEARING

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

RBM Merchandising

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING
5 Whether there has been a violation of the Business
6 Opportunity Fraud Act by:

7 Robert B. McDonald, RBM Merchandising, its'
8 employees and agents,

9 Respondents.

SDO - 25B(2) – 00

NOTICE OF OPPORTUNITY TO DEFEND AND
OPPORTUNITY FOR HEARING

Case No. 00-01-011

10 THE STATE OF WASHINGTON TO: Robert B. McDonald

11 YOU ARE HEREBY NOTIFIED that a SUMMARY ORDER TO CEASE AND DESIST (“the Order”), a
12 true and correct copy of which is attached and made part hereof, has been entered against you by the Washington
13 State Department of Financial Institutions, Securities Division.

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15 administrative law judge as Presiding Officer, upon the allegations supporting and ground for the agency action as
16 set forth in the Order. YOUR APPLICATION MUST BE RECEIVED BY THE SECURITIES DIVISION
17 WITHIN TWENTY (20) DAYS FROM THE DATE THAT YOU RECEIVE THIS NOTICE. If you demand a
18 hearing, you will be notified of the date, time, and hearing location will be mailed to you at least seven (7) days in
19 advance.

20 At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be recorded and
21 will be conducted according to the Administrative Procedure Act, Ch. 34.05 RCW. The primary concern of the
22 Administrative Law Judge, and, ultimately, the Director of the Department of Financial Institutions, will be to
23 determine the truth of the matters asserted in the Order. Technical rules of evidence will not be binding at the
24 hearing except for the rules of privilege recognized by law. You have the right to present evidence and witnesses

25 NOTICE OF OPPORTUNITY TO DEFEND AND
26 OPPORTUNITY FOR HEARING

27 RBM Merchandising

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
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18 Order. If you desire a hearing in this matter, please return the attached Application for Adjudicative Hearing to:

19 Washington State Department of Financial Institutions
20 Securities Division
21 Attn: Chad Standifer
22 P.O. Box 9033
23 Olympia, WA 98507-9033

24 DATED this ____ day of February, 2000.

25 _____
26 DEBORAH R. BORTNER
27 Securities Administrator

NOTICE OF OPPORTUNITY TO DEFEND AND
OPPORTUNITY FOR HEARING

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
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RBM Merchandising

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**STATE OF WASHINGTON
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IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Business Opportunity Fraud Act by:

Robert B. McDonald, RBM Merchandising, its
employees and agents,

Respondents.

SDO - 25C(1) - 00

APPLICATION FOR ADJUDICATIVE
HEARING

Case No. 00-01-011

THE STATE OF WASHINGTON TO: RBM Merchandising

If you wish to contest the Summary Order to Cease and Desist and have an adjudicative hearing, you must sign, date, and return this form within twenty (20) days of the date you received it, to:

Washington State Department of Financial Institutions
Securities Division
Attn: Chad Standifer
P.O. Box 9033
Olympia, WA 98507-9033

FAILURE TO RETURN THIS FORM SO THAT IT IS RECEIVED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS OF THE DATE YOU RECEIVED IT WILL CONSTITUTE A DEFAULT AND WILL RESULT IN THE LOSS OF YOUR RIGHT TO AN ADJUDICATIVE HEARING. In that case, the Director of the Department of Financial Institutions will immediately enter an appropriate order in disposition of the Summary Order.

APPLICATION FOR ADJUDICATIVE HEARING
RBM Merchandising

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

INSTRUCTIONS: Check the box beside your desired response. Mail this document as set forth above.

I.

I request a hearing in this matter.

I do not request a hearing in this matter.

II.

I [WILL] [WILL NOT] be represented by an attorney. His/her name, address, and telephone number are:

III.

I [REQUEST] [DO NOT REQUEST] that a qualified interpreter be appointed at no cost to me to interpret for (myself) or (my witness(es)). My, or my witness's(es'), primary language is _____ (identify language). My, or my witness's(es'), hearing impaired status is _____ (identify hearing impaired status). I understand that a qualified interpreter will be appointed at no cost to me or to my witness(es).

IV.

You have the right: To demand an adjudicative hearing, to be represented by an attorney at your own expense; and to subpoena witnesses to the hearing or subpoena the production of books or documents, and to otherwise defend against the Summary Order.

WARNING: FAILURE TO COMPLETE AND MAIL THIS DOCUMENT SO THAT IT IS RECEIVED BY THE SECURITIES DIVISION WITHIN 20 DAYS AFTER YOUR RECEIPT OF THE SUMMARY ORDER WILL RESULT IN THE DISPOSITION OF THIS CASE AS AUTHORIZED BY RCW 34.05.440.

Dated this _____ day of February, 2000.

**** Sign ****

Address:

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**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 by:

Robert B. McDonald, RBM Merchandising, and its
employees and agents,

Respondents.

SDO - 25C(2) - 00

APPLICATION FOR ADJUDICATIVE
HEARING

Case No. 00-01-011

9 THE STATE OF WASHINGTON TO: RBM Merchandising

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11 If you wish to contest the Summary Order to Cease and Desist and have an adjudicative hearing, you must
12 sign, date, and return this form within twenty (20) days of the date you received it, to:

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25 APPLICATION FOR ADJUDICATIVE HEARING
26 RBM Merchandising

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Dated this _____ day of February, 2000.

**** Sign ****

Address:
