

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

\_\_\_\_\_) )  
IN THE MATTER OF: THE COFFEE MAN, INC., ITS ) )  
OFFICERS AND DIRECTORS, AGENTS, EMPLOYEES, ) ) FILE NO. 0800484  
AFFILIATES, SUCCESSORS AND ASSIGNS. ) )  
\_\_\_\_\_) )

**ORDER TO CEASE AND DESIST**

TO THE RESPONDENT: The Coffee Man, Inc.  
999 18<sup>th</sup> Street, Suite 3000  
Denver, CO 80202

WHEREAS, a Summary Order to Cease and Desist ("the Summary Order") was issued by the Secretary of State on November 24, 2009, ordering The Coffee Man, 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 the 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 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 The Coffee Man, Inc. (the "Respondent"), was a registered Colorado Corporation which maintained its principal office at 999 18<sup>th</sup> Street, Denver, Colorado 80202.
2. That during March of 2008 the Respondent placed an advertisement in the business opportunity classified section of Sunday *Chicago Tribune* a newspaper of general circulation in Chicago, Illinois.
3. That said advertisement was for Distributorships in coffee vending business which included the coffee, displays and finding locations which placed the displays all to be purchased from Respondent (the "Package").

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4. That at least one Illinois resident (the "Purchaser") responded to the ad by calling the listed number. The Respondents representative told the Purchaser that they would provide a "turnkey" business with coffee, syrups and sixty displays consisting of three different size displays per location, plus training in inventory, merchandising and basic accounting practices. Purchaser was told that he would receive "a 100% return on his investment in the first year, or \$109,208.00."
5. That Respondent informed Purchaser that the Package of 60 displays and supply of coffee would cost \$89,900.00 plus \$3,889.70 for freight charges. The Purchaser was also to set aside the sum of \$6000.00 to the designated locator.
6. That Respondent sold to Purchaser, the Package with locations, and Purchaser remitted the \$44,950.00 on April 18, 2008 and \$48,839.70 as requested.
7. That the Respondent delivered some of the displays, but no coffee to Purchaser. The locator provided never returned Purchaser's phone calls.
8. That the Purchaser wrote and called Respondent on numerous occasions concerning the failure to deliver and provide locations and eventually demanded the return of his purchase price.
9. That Section 5-5.10(a)(1) of Business Opportunity Sales Law of 1995, [8:5 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 or a person recommended by the seller will provide or assist the purchaser in finding locations for the use or operation of...display cases...on premises neither owned nor leased by the purchaser or seller...and... the seller will provide a marketing plan...
10. That the Package described in paragraphs three-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.

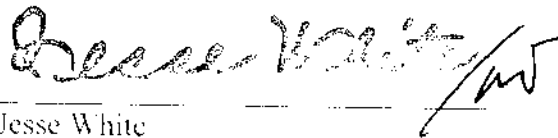
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13. That at all relevant times, Respondent, its officers and directors, agents, employees, affiliates, successors and assigns, failed to register the business opportunity described in paragraphs three-five (3-5) as required pursuant to Section 5-25 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 and the Secretary of State does not receive a request for hearing within the time specified in the cease and desist order the cease and desist order will be permanent.

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

DATED: This 28<sup>th</sup> day of December, 2009.



Jesse White  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

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