

STATE OF OKLAHOMA  
DEPARTMENT OF SECURITIES  
THE FIRST NATIONAL CENTER, SUITE 860  
120 NORTH ROBINSON  
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

ABM Beverage Machine, Inc. and  
John Paul Colceri,

Respondents.

ODS File No. 03-036

**ORDER TO CEASE AND DESIST**

On March 2, 2005, an Enforcement Division Recommendation (Recommendation) naming ABM Beverage Machine, Inc. and John Paul Colceri, (collectively, "Respondents") was filed with the Administrator of the Oklahoma Department of Securities (Department). The issuance of a cease and desist order is authorized by Section 814.A of the Oklahoma Business Opportunity Sales Act (Act), Okla. Stat. tit. 71, §§ 801-829 (2001).

On March 3, 2005, the Administrator of the Department issued a Notice of Opportunity for Hearing with the Recommendation attached ("Notice of Hearing"). The Administrator also issued a Notice of Service on the Administrator and Affidavit of Compliance (Notice of Service) on March 3, 2005. The Notice of Hearing and the Notice of Service were mailed March 3, 2005, to the last known addresses of ABM Beverage Machine, Inc. and John Colceri, by certified mail, return receipt requested, and delivery restricted.

The Notice of Hearing specified that failure to request a hearing within fifteen (15) days of service will result in the issuance of an order to cease and desist from the offer and sale of business opportunities in violation of the Act. No request for hearing or any other response has been received by the Administrator.

The Administrator of the Department, being fully advised in this matter, does hereby adopt the Findings of Fact and Conclusions of Law as set forth below.

**Findings of Fact**

1. ABM Beverage Machine, Inc. ("ABM") is an Oklahoma corporation that was, at all times relevant hereto, doing business in the state of Oklahoma. ABM Beverage Machine, Inc. is in the business of selling products and services to enable its members to distribute adult beverage vending machines.

2. At all times relevant hereto, John Paul Colceri ("Colceri"), a resident of Oklahoma, was the president of ABM Beverage Machine, Inc.

3. In February, 2002, Respondents ran advertisements in a national publication and through the Internet offering adult beverage vending machine distributorships ("Distributorships") to the public. Persons solicited by Respondents ("Purchasers") contacted Colceri in Oklahoma from April, 2002 through at least July, 2002.

4. Respondents represented ABM would assist the Purchasers in securing three locations for the vending machines within forty-five (45) days. If Purchasers were not satisfied with the locations, Respondents agreed to reimburse all money paid to Respondents. Respondents also represented that each vending machine would provide Purchasers with an instant cash flow of Three Hundred to Five Hundred Dollars (\$300-\$500) per month. Respondents agreed to provide software to Purchasers necessary to operate the vending machines and to install the vending machines and the software. Respondents also agreed to acquaint Purchasers with all material aspects of the vending machines and the capabilities of the software. Respondents promised to arrange for and pay the cost of all labor and replacement parts necessary to maintain the vending machines.

5. Colceri did not reveal to Purchasers that he had been convicted in December, 1993, of felony theft in the state of Arizona, by knowingly obtaining money by means of material misrepresentation, and that he was ordered to pay restitution to victims.

6. In April, 2002, one Purchaser permitted Colceri to charge his credit card for a Distributorship in the sum of \$7,877.50. In June, 2002, Colceri charged the Purchaser's credit card two additional sums of \$5,000.00 and \$1,500.00 without authorization.

7. The Distributorships are not registered under the Act.

### **Conclusions of Law**

1. The Distributorships are business opportunities.

2. Respondents offered and sold business opportunities in and/or from the state of Oklahoma.

3. The offer and sale by Respondents of the Distributorships without registration of the Distributorships under the Act is a violation of Section 806 of the Act.

4. Respondents omitted material facts, in connection with the offer and sale of business opportunities, in violation of Section 819 of the Act.

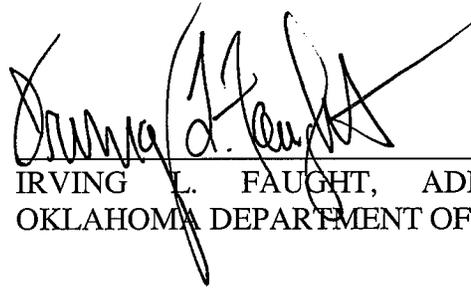
5. Respondents engaged in acts and practices that operated as a fraud or deceit, in connection with the offer and sale of business opportunities, in violation of Section 819 of the Act.

6. The Administrator has the authority under Section 814 of the Act to order Respondents to cease and desist from engaging in violations of the Act.

**IT IS HEREBY ORDERED**, that Respondents cease and desist from the offer and sale of business opportunities in violation of Sections 806 and 819 of the Act.

11th Witness my Hand and the Official Seal of the Oklahoma Department of Securities this day of April, 2005.

(SEAL)

A handwritten signature in black ink, appearing to read "Irving L. Faught", written over a horizontal line. The signature is stylized and somewhat cursive.

IRVING L. FAUGHT, ADMINISTRATOR OF THE  
OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 11th day of April, 2005, a true and correct copy of the above and foregoing Order to Cease and Desist was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon addressed to:

ABM Beverage Machine, Inc.  
c/o John Colceri  
4809 Val Verde Drive  
Oklahoma City, OK 73142

ABM Beverage Machine, Inc.  
P.O. Box 12934  
Oklahoma City, OK 73157-2934

John Paul Colceri  
4809 Val Verde Drive  
Oklahoma City, OK 73142

John Paul Colceri  
P.O. Box 12934  
Oklahoma City, OK 73157-2934

John Paul Colceri  
23060 Lauren Lane  
Edmond, OK 73003-2351

Brenda London