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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:

IDENT-A-KID SERVICES OF AMERICA,
INC. and ROBERT T. KING, their employees
and agents,

Respondents.

SDO - 19 - 01

SUMMARY ORDER TO CEASE AND
DESIST

Case No. 97 - 11 - 543

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THE STATE OF WASHINGTON TO: Ident-A-Kid Services of America, Inc.
2810 Scherer Drive, Suite 100
St. Petersburg, Florida 33716

Robert T. King
143000 Eagle Pointe Drive
Clearwater, Florida 34622

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STATEMENT OF CHARGES

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Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Ident-A-Kid Services of America, Inc., Robert T. King, and their employees and agents, have violated the Business Opportunity Fraud Act of Washington and that the 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 public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

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TENTATIVE FINDINGS OF FACT

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1. Respondent Ident-A-Kid Services of America, Inc. ("ISA") is a Florida for-profit corporation with its principal place of business at 2810 Scherer Drive North, St. Petersburg, Florida. The firm offers and

1 sells a "directorship opportunity" to people interested in starting a home-based business. The business
2 involves the marketing, manufacture, and sale of laminated identification cards for children.

3 2. Respondent Robert T. King ("King") is the President of ISA. King also provides on-location
4 training to all new purchasers of the ISA opportunity.

5 3. Respondent ISA advertises its "directorship opportunity" in numerous publications distributed in
6 Washington, including the Franchise Handbook and the Business Opportunity Handbook, which has an
7 Internet web site that identifies IAS as an available business opportunity. In addition, the firm advertises
8 on its own Internet web page, located at <http://www.ident-a-kid.net>, as well as on numerous business
9 opportunity Internet web pages, including Entrepreneur.com, FranchiseAmerica.com, HomeWorks.com,
10 and Money-At-Home.com. In 1997 IAS advertised in Business Startups magazine.

11 4. The ISA web page provides information on the "Directorship Opportunities" available from ISA:

12 I.S.A. has established a nationwide network of Program Directors to provide this
13 service. There are now over 200 Programs in the United States. However, many
14 undeveloped areas with great potential remain. Directors promote their own
15 program from their home based office. The I.S.A. National Office provides
16 supplies and equipment necessary to support the program. The cards sell for \$5.00
each. The system utilizes an IBM compatible computer and proprietary software to
produce the IDENT-A-KID Cards as well as forms, correspondence, etc.

17 5. According to the "Return on Investment" concept described on the ISA website, the inventory
18 included in the "directorship package," which currently costs \$19,500.00, "should provide...enough initial
19 income to pay for the entire cost of the directorship package."

20 6. In response to a Securities Division request, ISA has identified four Washington purchasers of their
21 opportunity since 1990, with the most recent purchase occurring in 1998.

22 7. On or about September 14, 1998, a resident of Spokane, Washington, saw an advertisement for
23 ISA in Business Startups magazine. The resident responded to the advertisement and requested
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1 information from ISA about the opportunity, which ISA sent. The information did not include, and ISA
2 never provided, a disclosure document containing complete material information about the opportunity,
3 such as a financial statement of the seller.

4 8. After reviewing the information received and researching local market conditions, the resident
5 invested \$12,5000.00 for an ISA Directorship. On or about September 20, 1998, King came to Spokane to
6 provide three days of training to the resident. During the training King represented that there was no
7 reason that the resident could not earn enough in the first six months to recover the cost of the ISA
8 opportunity.

9 9. Respondents ISA and King are not currently registered to advertise, solicit, offer or sell a business
10 opportunity in the State of Washington, and have not previously been so registered.

11 12 **CONCLUSIONS OF LAW**

13 The offer and/or sale of the opportunity as described above constitutes the offer and/or sale of a
14 business opportunity as defined in RCW 19.110.020(1).
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17 The offer and/or sale of said business opportunity was made in violation of RCW 19.110.070 and
18 RCW 19.110.120, the disclosure document and antifraud provisions of the Business Opportunity Fraud
19 Act, respectively, because Respondents failed to provide prospective purchasers a complete disclosure
20 document containing complete material information regarding the opportunity, including but not limited to
21 a financial statement of the seller.
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1 The offer and/or sale of said business opportunity is in violation of RCW 19.110.050(1) because
2 Respondents' business opportunity is not and was not registered with the Securities Division prior to the
3 advertising, soliciting, or making of any offer and/or sale of the business opportunity in this state.
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5 The Securities Administrator finds that an emergency exists, that the continued violations of RCW
6 19.110.050(1), RCW 19.110.070 and RCW 19.110.120 constitute a threat to the investing public, and that
7 a summary order to cease and desist from those violations is in the public interest and necessary for the
8 protection of the investing public.
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10 **SUMMARY ORDER**

11 Based on the foregoing, IT IS THEREFORE HEREBY SUMMARILY ORDERED that Respondents
12 Ident-A-Kid Services of America, Inc., Robert T. King, and their employees and agents, each cease and
13 desist from offering and/or selling business opportunities in any manner in violation of RCW
14 19.110.050(1), the registration section of the Business Opportunity Fraud Act.
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17 It is further SUMMARILY ORDERED that Respondents Ident-A-Kid Services of America, Inc.,
18 Robert T. King, and their employees and agents, each cease and desist from violation of RCW 19.110.170
19 and RCW 19.110.120, the disclosure document and antifraud provisions, respectively, of the Business
20 Opportunity Fraud Act.
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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. 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

DATED this 22nd day of March, 2001.



DEBORAH R. BORTNER
Securities Administrator

Michael E. Stevenson
Chief of Enforcement

Anthony W. Carter
Securities Examiner