

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

**14-20009-CR-COOKE/TURNOFF**  
CASE NO. \_\_\_\_\_  
18 U.S.C. § 1349

UNITED STATES OF AMERICA

vs.

VEND THREE, LLC,

Defendants.

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INFORMATION

The United States Attorney charges that:

GENERAL ALLEGATIONS

At various times relevant to this Information:

1. Defendant **VEND THREE, LLC** (“Vend Three”) was a New York limited liability company that operated from Deer Park, New York. Vend Three sold vending machine business opportunities to customers throughout the United States, including in Miami-Dade, Broward, and Palm Beach Counties, within the Southern District of Florida.
2. The term “locating company” means a company in the business of placing vending machines purportedly in profitable locations on behalf of Vend Three customers.

**CONSPIRACY TO COMMIT MAIL FRAUD**  
**(18 U.S.C. § 1349)**

1. Paragraphs 1 and 2 of the General Allegations section of this Information are realleged and incorporated fully herein by reference.

2. From on or about October 1, 2010, through on or about April 28, 2011, in Miami-Dade, Broward, and Palm Beach Counties, within the Southern District of Florida, and elsewhere, the defendant,

**VEND THREE, LLC,**

did willfully, that is, with the intent to further the object of the conspiracy, and knowingly combine, conspire, confederate and agree with others, known and unknown to the United States Attorney, to commit mail fraud, that is, to knowingly, and with intent to defraud, devise, and intend to devise, a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing that pretenses, representations and promises were false and fraudulent when made, and, for the purpose of executing such scheme and artifice to defraud, did knowingly deposit and cause to be deposited matter to be sent and delivered by the United States Postal Service and a private and commercial interstate carrier, and to take and receive matter delivered by the United States Postal Service and a private and commercial interstate carrier, in violation of Title 18, United States Code, Section 1341.

**PURPOSE OF THE CONSPIRACY**

3. It was the purpose of the conspiracy for the defendant and its co-conspirators to unlawfully enrich themselves by obtaining money from customers by means of materially false statements and representations and the concealment of material facts concerning, among other

things, the expected profits of the business opportunities and the services that would be provided by Vend Three and the locating companies recommended by Vend Three.

**MANNER AND MEANS OF THE CONSPIRACY**

The manner and means by which the defendant and its co-conspirators sought to accomplish the objects and purpose of the conspiracy included, among others, the following:

4. Vend Three sold business opportunities to own and operate bulk candy vending machines, which for 25 cents dispensed a handful of loose candy. Vend Three typically offered prospective customers a business opportunity package including the purchase of approximately 25 vending machines for payment of approximately \$10,000. As part of the business opportunity package, Vend Three promised to provide the vending machines, an initial supply of candy, assistance in finding locations for the vending machines, training, and ongoing customer assistance in how to operate a successful vending business.

5. Vend Three advertised the vending machine business opportunity on the Internet and in newspapers throughout the United States, including in the Southern District of Florida.

6. Vend Three sales representatives falsely and fraudulently described the business opportunity to prospective customers as a low-risk investment in which Vend Three would provide everything needed for the customer to be successful. Vend Three sales representatives falsely and fraudulently represented that the only work for the customer would be to visit the vending machines occasionally to stock the machines with new candy and to collect the money.

7. By overnight mail delivery service, Vend Three sent prospective customers a promotional packet for the vending machine business opportunity that included a brochure and a disclosure statement required by state and federal laws. Vend Three's sales representatives

routinely removed the front page of the disclosure statements which contained warnings about the investment and encouraged prospective customers to speak to an attorney and obtain other professional advice before purchasing the business opportunity.

8. Vend Three's sales representatives provided prospective customers with the telephone number of a locating company, encouraged prospective customers to contact the locating company, and falsely and fraudulently assured prospective customers that the locating company would find profitable locations for the vending machines. Vend Three's sales representatives falsely and fraudulently touted supposed guarantees of the locating company to relocate vending machines which did not generate a certain amount of income.

9. Unbeknownst to the prospective customers, Vend Three sales representatives and locating company operators frequently exchanged information and coordinated their sales messages to prospective customers. In fact, Vend Three's sales representatives coached the locating company operators as to what to say to entice prospective customers to invest in the vending machine business opportunity.

10. The operators of the locating companies recommended by Vend Three falsely and fraudulently represented to prospective customers that they would screen potential vending machine locations to ensure adequate foot traffic, that high-traffic locations could be found in the prospective customer's area, and that they would send professional "locators" with expertise in finding good locations to the customer's area to place the machines promptly after the investment.

11. Contrary to these false and fraudulent representations, Vend Three knew that the locating companies did not screen potential locations and that the locating companies generally were unable to find high-traffic locations for the vending machines. The locators sent by the

locating companies to place machines were not professionals with special skills, tools, and expertise in finding good locations. The locating companies placed the machines wherever they could as quickly as they could, often in businesses that had not consented to housing the vending machines and that soon demanded that the machines be removed. The locating companies did not honor their supposed guarantees to relocate unprofitable vending machines, and Vend Three's customers ultimately lost nearly all if not all of their investments.

12. To fraudulently induce others to purchase the vending machine business opportunity, the defendant and its co-conspirators made, and caused others to make, numerous materially false statements, and omitted and concealed, and caused others to omit and conceal, numerous material facts, including, among others, the following:

**Materially False Statements**

- a. Customers who purchased the business opportunity would earn substantial profits;
- b. Customers would earn back their investment in one year or less;
- c. One or more Vend Three sales representatives personally owned and operated a highly profitable vending machine route;
- d. The locating company that Vend Three recommended would secure high-traffic locations for the prospective customer's vending machines;
- e. The locating company's locators were familiar with the customer's area and had expertise in finding good locations; and
- f. Vend Three would assist the customer in operating the business for the lifetime of the business;

**Omission/Concealment of Material Facts**

- g. Nearly every manager and sales representative at Vend Three had previously worked for a company that sold the same business opportunities as Vend Three, and had closed several months earlier after the operator of a locating company recommended to customers by that company had been indicted for fraud;
- h. Vend Three received numerous complaints from previous customers about the lack of profitability of the vending machine business;
- i. One of the locating companies recommended by Vend Three was owned by the same individuals who owned Vend Three and employed some of the same individuals who worked at Vend Three;
- j. Vend Three continued to recommend locating companies which in the past had been unsuccessful in placing vending machines in high-traffic locations;
- k. Locating companies that claimed to offer various guarantees rarely if ever honored the purported guarantees; and

1. The disclosure statement sent by Vend Three to prospective customers did not contain warnings required by law about the risks associated with the vending machine business opportunity.

All in violation of Title 18, United States Code, Section 1349.

  
WIFREDO FERRER  
UNITED STATES ATTORNEY

  
PATRICK JASPERSE  
TRIAL ATTORNEY

UNITED STATES OF AMERICA

CASE NO. \_\_\_\_\_

vs.

CERTIFICATE OF TRIAL ATTORNEY\*

VEND THREE, LLC,

Defendant.

Superseding Case Information:

Court Division: (Select One)

New Defendant(s) \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_  
Number of New Defendants \_\_\_\_\_  
Total number of counts \_\_\_\_\_

X Miami \_\_\_\_\_ Key West \_\_\_\_\_ FTP \_\_\_\_\_  
FTL \_\_\_\_\_ WPB \_\_\_\_\_

I do hereby certify that:

1. I have carefully considered the allegations of the indictment, the number of defendants, the number of probable witnesses and the legal complexities of the indictment/Information attached hereto.

2. I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, Title 28 U.S.C. Section 3161.

3. Interpreter: (Yes or No) No  
List language and/or dialect \_\_\_\_\_

4. This case will take 0 days for the parties to try.

5. Please check appropriate category and type of offense listed below:

(Check only one)		(Check only one)	
I	0 to 5 days	<u>X</u>	Petty
II	6 to 10 days	_____	Minor
III	11 to 20 days	_____	Misdem.
IV	21 to 60 days	_____	Felony
V	61 days and over	_____	

6. Has this case been previously filed in this District Court? (Yes or No) No

If yes: Judge: \_\_\_\_\_ Case No. \_\_\_\_\_  
(Attach copy of dispositive order)

Has a complaint been filed in this matter? (Yes or No) No

If yes: Magistrate Case No. \_\_\_\_\_  
Related Miscellaneous numbers: \_\_\_\_\_  
Defendant(s) in federal custody as of \_\_\_\_\_  
Defendant(s) in state custody as of \_\_\_\_\_  
Rule 20 from the \_\_\_\_\_ District of \_\_\_\_\_

Is this a potential death penalty case? (Yes or No) No

7. Does this case originate from a matter pending in the Northern Region of the U.S. Attorney's Office prior to October 14, 2003? \_\_\_\_\_ Yes X No

8. Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to September 1, 2007? \_\_\_\_\_ Yes X No

PATRICK JASPERSE  
DOJ TRIAL ATTORNEY  
Court No. A5500746

\*Penalty Sheet(s) attached

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**PENALTY SHEET**

**Defendant's Name:** **VEND THREE, LLC**

**Case No:** \_\_\_\_\_

**Count No.:** 1

**Conspiracy to Commit Mail Fraud**

**Title 18, United States Code, Section 1349**

**\*Max. Penalty:** Fine of \$500,000 or Twice the Gross Loss or Gain

**\* Refers only to possible term of incarceration, does not include possible fines, restitution, special assessments, parole terms, or forfeitures that may be applicable.**