

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of
SOCCERTOTS, INC.
and E. KENT GOLD,

PETITION FOR ORDER

Respondents.

File No. S-07147(FX)

The staff of the Bureau of Enforcement of the Division of Securities, Department of Financial Institutions, State of Wisconsin has conducted an investigation in this matter pursuant to §553.55, Wis. Stats., and as a result thereof alleges as follows:

1. SoccerTots, Inc., (“SoccerTots”) is a Washington corporation with a last known business address of 2410 East 44th Avenue, Spokane, Washington 99223.
2. E Kent Gold (“Gold”) is an individual with a last known business address of 2410 East 44th Avenue, Spokane, Washington 99223, and has been President/Owner of SoccerTots, Inc. at all times material hereto.
3. Upon information and belief, prior to February of 2005, an investor in Wisconsin purchased a business opportunity in SoccerTots by signing a Soccertots License Agreement.
4. Upon information and belief, the investor paid a total of \$4,116 to SoccerTots for the purchase of the business opportunity.
5. Upon information and belief the License Agreement (“Agreement”) provided to the person in Wisconsin grants to the licensee “a non-exclusive, nontransferable, revocable license to use, during the Term and only in connection with the Licensed Program, the Licensed Marks in the form set forth on Appendix A.”
6. Various statements in the SoccerTots & SoccerTouch Program contain the following statements:

“I taught classes myself and then went through a couple of “super” instructors before I figured out that I needed curriculum, training systems, marketing systems, recruiting systems, professional presentation. . . .”

“Why? Because their business was PEOPLE dependent...and not SYSTEMS Dependent.”

“The ONLY answer is to make the instructor or director far less relevant to the quality of the training/instruction. . . and the system be omnipotent.”

“The thought of taking the time and expense to develop and write curriculum, design marketing material, develop and write instructor training material etc etc is overwhelming. SoccerTots’ turnkey package is designed to get your child development revenue starting quickly and easily.”

“Our package includes brochures, posters, signage, web site, marketing material and training here at our home site in Spokane, Washington.”

7. Upon information and belief, information provided in the SoccerTots Pricing informational sheet state the following:

New licensees receive information and training in:

Business and operations	Sales and Marketing
Curriculum and Lesson Plans	Key Success Factors
Hiring and Training Employees	Customer Service
Operations Policies	Equipment List and Source
Registration Policies & Procedures	Instructor Development
Building and Maintaining Enrollment	Director Development

8. Since the person in Wisconsin paid a fee for the right to do business as SoccerTots, operated the business according to a prescribed marketing plan, and operated the business using the trademark “Soccertots,” the “business opportunity” described in the paragraphs above is a franchise as defined by §553.03(4), Wis. Stats.
9. Upon information and belief, the person in Wisconsin was not provided with an offering circular containing material information needed to make an informed decision prior to signing the agreement and paying the \$4,116.
10. Respondents have violated §553.21, Wis. Stats., which states no person may sell in this state any franchise unless the franchise has been registered under this chapter or is exempted under §553.23, §553.235 or §553.25, Wis. Stats.
11. Respondents have violated §553.27(4), Wis. Stats., by selling a franchise in this state without providing a copy of an offering circular to the prospective franchisee within at least ten business days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least ten business days prior to the receipt of any consideration, whichever first occurs.

