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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Mr. Regan Bloss, Officer
Kwik Kerb USA, Inc.
100 Technology Park, #160
Lake Mary, FL 32746

Kwik Kerb Edgemaster, Inc.
101-20050 Stewart Crescent
Maple Ridge, BC V2X0T4

Edgetec International Pty. Ltd.
P.O. Box 103
Mt. Ommaney, Qld, 4074
Australia

DESIST AND REFRAIN ORDER
(For violations of section 31110 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, Kwik Kerb USA, Inc., Kwik Kerb Edgemaster, Inc., Edgetec International Pty. Ltd. (collectively, “Kwik Kerb”), and Regan Bloss (“Bloss”) maintained three “main offices” at addresses 100 Technology Park, # 160, Lake Mary, FL 32746; 101-20050 Stewart Crescent, Maple Ridge, BC V2X0T4; and P.O. Box 103, Mt. Ommaney, Qld, 4074, Australia, and maintained website addresses on the internet at www.kwikkerb.com and www.kwikkerb.org. Kwik Kerb USA, Inc. is a Florida corporation and also maintains an address at 131 Lee Street, Belpre, OH 45714.

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1 2. Kwik Kerb and Bloss offer a “franchise styled business” in concrete curbing laid by a
2 machine known as the Edgemaster® to produce different shapes, colors, and styles of concrete
3 edging such as the “Carpark Kerb”, “EuroStyle® Slate Impression”, “KerbLight”, and “EuroBrick™”
4 for driveways, gardens, or any landscaped areas, and is more generally known as Kwik Kerb®
5 edging.

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7 3. Kwik Kerb and Bloss advertise that the “Kwik Kerb® concept” was first made
8 available to the public in Melbourne, Australia in 1987 by Edgetec International Pty. Ltd. The
9 Edgemaster machine “had been developed and patented with many unique features” and that the
10 “Kwik Kerb® concept brought this amazing machine together with all the tools and equipment
11 necessary for an operator to install quality concrete edging...with a satisfaction guarantee to their
12 customers.”

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14 4. Individuals have a choice of purchasing either an edging machine alone, various
15 equipment packages, or a “complete Kwik Kerb business system”. Individuals that purchase a
16 complete Kwik Kerb business system are thereafter known as “Kwik Kerb operators”, or “operators”.
17 Operators may buy the right to enter into a Kwik Kerb business for a fee of \$45,725.00 and are
18 granted the right to engage in the business of offering, selling, or distributing the goods or services of
19 Kwik Kerb under a marketing plan or system prescribed in substantial part by Kwik Kerb and Bloss.
20 The operation of the business is substantially associated with an advertising or other commercial
21 symbol designating the Kwik Kerb name and other trademarks, service marks, trade names, or
22 logotypes.

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24 5. Operators are told that the fee is a higher cost than buying the equipment alone
25 because “operators benefit from a proven success system” which ensures “many advantages over just
26 buying equipment”. A ten percent deposit gives prospective operators a custom designed business
27 plan and cash flow projection in order to arrange for financing from a lender. Operators are told that
28 they can recoup their investment within one year by laying 160 feet per week at \$7.00 per foot and

1 that this footage can be achieved in less than one day. If the fee is financed, it may be repaid over 60
2 months with a monthly payment of \$1200.00, which may be recouped in less than a day if the
3 operator lays approximately 220 feet per month at \$7.00 per foot.

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5 6. Consequently, the Kwik Kerb business system is also sold as a “low debt risk”
6 meaning operators can earn “substantial cash income” from their “first weeks of work”, enabling
7 them to aim at recovering their investment in “a very short time” because traditional business
8 overheads are “not necessarily part of the Kwik Kerb system.” Kwik Kerb is also advertised as “a
9 long-term business proposition” and a “Low Risk investment with excellent returns” and “lots of
10 potential for yearly growth”.

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12 7. Individuals who enter into a Kwik Kerb business agreement are promised by Kwik
13 Kerb and Bloss to receive a “comprehensive professional marketing system with outstanding support,
14 3-4 day initial training on real jobs, shared cost advertising programs, and unique exclusive
15 products.” It is a “developed” and “proven concrete curbing business system” to ensure a “fast and
16 successful” business. They are also told that the Kwik Kerb business system includes the benefit of
17 Kwik Kerb’s and Bloss’ “vast experience” to ensure “a first class job”.

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19 8. Operators are given a business package known as the “Total Package”, which includes
20 “all the unique equipment, and other items, designed to make the system work most efficiently”,
21 including “advertising, merchandising signs, promotional items, decals, stationery, uniforms,
22 thousands of pieces of advertising material and artwork”, and “displays for use at trade shows along
23 with a complete customer presentation portfolio”. Operators are told that “All equipment, specialized
24 tools, wet weather covers, and more, come in a bright red specially designed trailer which acts as
25 mobile advertising.”

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27 9. Training includes on-site training and in-classroom training in a three-day
28 “comprehensive training seminar” before any customers are serviced. Operators are “taught the

1 practical skills of laying different types of edging in various conditions, as well as marketing skills
2 and techniques required to maximize exposure” of their new business. They are given training
3 manuals and advertising materials and are told that “This process is key to becoming an expert Kwik
4 Kerber. Everything is covered during the training from the technical details of producing superior
5 curbing, to maintaining the machinery, even sales and marketing techniques. We will make sure you
6 are comfortable with the system...The Kwik Kerb system has proven itself during the last 15 years.”
7

8 10. Kwik Kerb and Bloss represent their experience to be that “The company is in its
9 fifteenth year...in this industry, and brings a wealth of marketing experience, understanding, and
10 expertise to the investor.” The Kwik Kerb concept “was a huge success and within a few years Kwik
11 Kerb® had become the No.1 organization laying concrete landscape edging and the only organization
12 of [its] type, operating on a worldwide basis. Kwik Kerb® has retained that honor to this day and
13 continues to develop new technology with advanced machinery and processes for laying of concrete
14 curbs.” Kwik Kerb and Bloss represent that that “Since 1987, a network of thousands of Kwik Kerb
15 operators has been established in Australia, USA, Canada [and] many other countries”, including
16 New Zealand, Netherland Antilles, Venezuela, United Kingdom, Ireland, South Africa, Singapore,
17 and Malaysia. Furthermore, “as the Kwik Kerb name continues to derive constant world-wide
18 exposure, demand for kerbing will continue to increase and profits for operators will become even
19 more lucrative”. The Kwik Kerb business is “expanding into new areas all the time and if your
20 country is not mentioned above...you could be the first to start the Kwik Kerb revolution in your
21 corner of the world!...Distributor opportunities are available in your area.” Kwik Kerb’s “advanced
22 products” such as the KerbLight “adds to the demand for Kwik Kerb in your area and reduces future
23 advertising costs for you as an operator.” Also, “In 1995 Kwik Kerb released a world first with the
24 introduction of EuroStyle® Slate Impression edging”, and “with hundreds of operators installing the
25 product daily, it is the most sought-after concrete edging in the world.”
26

27 11. Business backup and support includes a head office which is available 24 hours a day,
28 seven days a week to provide advice and solutions to Kwik Kerb operators. Testimonials show that,

1 “no matter what the problem is, from how to approach a difficult job to ordering supplies, someone
2 there will help you.” Operators are promised, “Should you run into a mechanical snag, call and we
3 will help you figure it out.” Continued training and education is free. Telephone support is provided,
4 and Kwik Kerb also refers jobs to operators and invites them to participate in “promotional events”,
5 such as trade shows, where “a professional ‘Show Display Kit’ is also supplied to fit out an attractive
6 display.”

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8 12. Kwik Kerb has an “extensive, informative web presence” of which operators can
9 enjoy “the added marketing benefit and use...” Operators are told that, “Internet presence is a
10 requirement in the world market today and into the future. The home office maintains a web site
11 (www.kwikkerb.org) specifically to help our operators promote the sale of Kwik Kerb continuous
12 concrete edging. The investor’s time needs to be focused on laying concrete not on developing an
13 internet presence; the Kwik Kerb home office takes care of that for the investor.” Operators are able
14 to refer their customers and potential clients to “many of these resources available online”, including
15 the “online decorative curbing site.” Operators are told they will enjoy the benefits of an “Operator’s
16 Forum”, a web-based forum, provided specifically for Kwik Kerb operators. The forum is described
17 as “a tremendous resource for ideas, problem solving, and interaction with other Kwik Kerbers
18 around the world.” Operators can “review and post questions, find answers to problems, and bounce
19 different ideas off of each other” for “great ideas and new products”. For the “many operators” who
20 achieve “outstanding success”, Kwik Kerb and Bloss recognize their achievements with the
21 presentation of “awards”. There is also an “extensive archives of conversations that have been
22 established over the years” which “are an extremely useful and searchable resource of information.”
23 Operators receive a “Username” and “Password” to use this Kwik Kerb “Operator’s Forum” and
24 Message Board as well as the Kwik Kerb “support center”. The support center allows operators to
25 access training manuals, installation tips, information on shows and expositions, supply ordering
26 online, and the Operator’s Forum to hear about comments, tips, and see answers to questions that
27 other operators have posed. The support center is “continually expanding” based on feedback from
28 operators, and operators are able to order products “24/7” on the Kwik Kerb online shopping store.

1 13. Kwik Kerb's and Bloss' offer of franchises in California has not been registered
2 under the Franchise Investment Law and is not exempted under Chapter 1, beginning with
3 Corporations Code section 31100, of that law.

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5 Based upon the foregoing findings, the California Corporations Commissioner is of the
6 opinion that Kwik Kerb USA, Inc., Kwik Kerb Edgemaster, Inc., Edgetec International Pty. Ltd., and
7 Regan Bloss are offering Kwik Kerb franchises in California that are subject to registration under the
8 Franchise Investment Law without the offers first being registered, in violation of Corporations Code
9 section 31110. Pursuant to section 31402 of the Corporations Code, Kwik Kerb USA, Inc., Kwik
10 Kerb Edgemaster, Inc., Edgetec International Pty. Ltd., and Regan Bloss are hereby ordered to desist
11 and refrain from the further offer or sale of Kwik Kerb franchises unless and until the offers have
12 been duly registered under the Franchise Investment Law. This Order is necessary, in the public
13 interest, for the protection of investors and consistent with the purposes, policies and provisions of
14 the Corporate Securities Law of 1968.

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16 Dated: December 16, 2005
17 Sacramento, California

18 WAYNE STRUMPFER
19 Acting California Corporations Commissioner

20
21 By _____
22 ALAN S. WEINGER
23 Acting Deputy Commissioner
24 Enforcement Division