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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

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IN THE MATTER OF DETERMINING
Whether there has been a violation
Of the Franchise Investment Protection Act by:

SDO - 24 - 02

LEATHER MEDIC, INC.; KYLE LIFE; their agents
and employees,

CONSENT ORDER AND ORDER VACATING
SDO-19-02

Respondents.

Case No. 01-10-405

INTRODUCTION

Pursuant to the Franchise Investment Protection Act of Washington, the Securities Division, Department of Financial Institutions, and Respondents Leather Medic, Inc. and Kyle Life do hereby agree to this Consent Order in settlement of the above captioned matter. Respondents neither admit nor deny the Tentative Findings of Fact or Conclusions of Law as set forth in Summary Order SDO-19-02 and repeated below.

TENTATIVE FINDINGS OF FACT

I. Respondents

1. **LEATHER MEDIC, INC.** (“Leather Medic”) is a Florida corporation with a place of business at 11532 Mahogany Run, Fort Myers, Florida 33913. Leather Medic maintains a website at <http://www.leathermedic.com/>.

2. **KYLE LIFE** (“Life”) was the President of Leather Medic at all times relevant to the matters set forth herein.

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II. Nature of the Offer

4. Respondents caused to be placed on the Internet at <http://www.leathermedic.com/> (“leathermedic.com”) an advertisement for a Leather Medic franchise opportunity. On October 26, 2001, a Washington resident submitted a request for information regarding the Leather Medic opportunity over the Internet on leathermedic.com.

5. On November 9, 2001, the Washington resident received an information packet in the mail from Leather Medic and Life.

6. The information packet sent by Leather Medic and Life contains materials describing the franchise opportunity. The materials contains representations about the franchise opportunity, including, but not limited to that the cost of the Leather Medic opportunity would be \$25,000 and would include a Leather Medic license, an exclusive territory, equipment, supplies, a marketing package, a training program at Leather Medic headquarters in Florida, and ongoing support and technical assistance. The information packet also contains a letter from Life inviting the Washington resident to call 1-888-561-0423 for more information.

7. In connection with the offer of the franchise opportunity, Respondents failed to provide Washington purchasers with material information regarding the purchase of a Leather Medic franchise, including a Uniform Franchise Offering Circular (UFOC) with financial statements of Leather Medic.

8. As of the date Summary Order SDO-19-02 was entered, Respondents were continuing to advertise their franchise opportunity at leathermedic.com. The website represents that “Leather Medic franchisees enjoy high profit margins” and that “the Leather Medic business, marketing and training models have proven results to guarantee your business’ success!”

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III. Registration Status

9. Leather Medic, Inc. and Kyle Life are not currently registered to offer or sell franchises in the state of Washington and have not previously been so registered.

Based upon the above Findings of Fact, the following Conclusions of Law are made:

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CONCLUSIONS OF LAW

I. Franchise

1. The offer and/or sale of the franchise opportunity described in paragraphs 4, 5, 6, 7 and 8 of the Tentative Findings of Fact above constitutes the offer and/or sale of a franchise as defined in RCW 19.100.010(4).

II. Violation of RCW 19.100.020

2. The offer and/or sale of the franchise is in violation of RCW 19.100.020 because no registration for such offer and/or sale is on file with the Securities Administrator of the State of Washington.

III. Violation of RCW 19.100.170

3. The offer and/or sale of the franchise is in violation of RCW 19.100.170 because as set forth in paragraph 7 of the Tentative Findings of Fact, Respondents failed to provide the Washington resident with a Uniform Franchise Offering Circular (UFOC) disclosure document containing complete material information regarding the franchise opportunity.

CONSENT ORDER

Based upon the foregoing:

IT IS THEREFORE AGREED AND ORDERED that Leather Medic, Inc. and Kyle Life, and their agents and employees, each shall cease and desist from the offer and sell of unregistered franchises in the State of Washington in violation of RCW 19.100.020.

IT IS FURTHER AGREED AND ORDERED that Leather Medic, Inc. and Kyle Life shall, within thirty (30) days of the entry of this Order, send by certified mail or other means a copy of this Order to all past and present Washington franchisees. Respondents shall provide the Securities Division with proof of mailing or delivery within sixty (60) days of the entry of this Order. Failure to do so shall be grounds to vacate this consent order.

IT IS FURTHER AGREED AND ORDERED that Leather Medic, Inc. and Kyle Life each shall disclose the

1 existence of this Order in its offering circulars to be used in the state of Washington.

2 IT IS FURTHER AGREED that Respondents shall be jointly and severally liable for and shall pay the
3 Securities Division one thousand dollars (\$1,000) for its costs incurred in its investigation of this matter. Said
4 payment must be made to the Division prior to the entry of this Order.

5 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Order.

6 In consideration of the foregoing, Leather Medic, Inc. and Kyle Life waive their right to a hearing in this
7 matter and to judicial review of this Order, and the Securities Division hereby vacates Summary Order to Cease
8 and Desist SDO-19-02.

9 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

10 SIGNED this _____ day of _____, 2002.

11 Signed by:

12 LEATHER MEDIC, INC.

13 By _____
14 Kyle Life, President

15 _____
16 Kyle Life, individually

17 -----
18 **THIS ORDER ENTERED THIS 9th DAY OF APRIL, 2002 BY:**

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20 DEBORAH R. BORTNER
21 Securities Administrator

22 Approved by:

Presented by:

23 _____
24 Michael E. Stevenson
25 Chief of Enforcement

Chad Standifer
Staff Attorney