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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 - 96 - 01

MR. PLANT, INC.; LAWRENCE R. MCCARTHY;
their agents and employees,

SUMMARY ORDER TO CEASE AND DESIST

Respondents.

Case No. 01-10-407

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THE STATE OF WASHINGTON TO: Mr. Plant, Inc.
1106 2nd Street
Encinitas, CA 92024

Lawrence R. McCarthy
Mr. Plant, Inc.
1106 2nd Street
Encinitas, CA 92024

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STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Mr. Plant, Inc., Lawrence R. McCarthy, and their agents and employees, have violated the Franchise Investment Protection Act and that their violations justify the entry of an order of the Securities Administrator under RCW 19.100.248 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 investors and 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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SUMMARY ORDER TO CEASE AND DESIST

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**DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760**

TENTATIVE FINDINGS OF FACT

I. Respondents

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1. **MR. PLANT, INC.** (“Mr. Plant”) was a California corporation until its suspension by the state of California. Mr. Plant has a place of business at 1106 2nd Street, Encinitas, CA 92024. Mr. Plant offers franchises that specialize in providing sales and maintenance of interior plants.

2. **LAWRENCE R. MCCARTHY** (“McCarthy”) was the President of Mr. Plant at all times relevant to the matters set forth herein.

II. Nature of the Offer

3. Respondents Mr. Plant and McCarthy caused to be placed on the Internet, at <http://www.mrplant.com/>, (“mrplant.com”) an advertisement for a Mr. Plant franchise opportunity. On October 10, 2001, a Washington resident submitted a request for franchise opportunity information over the Internet on mrplant.com. On that same date, McCarthy responded to the request for information by sending an e-mail to the Washington resident. The e-mail contains a short description of the franchise opportunity, including a hyperlink to an Internet “slide show” at <http://www.mrplant.com/slshow01.php>. The “slide show” contains information about the franchise opportunity, including but not limited to the representations that the franchise had “unlimited earning potential” and that a franchisee could receive “checks monthly.”

4. On October 16, 2001, the Washington resident responded to McCarthy via e-mail and requested more information about the franchise opportunity. On October 23, 2001, the Washington resident received an information packet in the mail from Mr. Plant and McCarthy.

5. The information packet sent by Mr. Plant and McCarthy contains materials describing the franchise opportunity. The materials contains representations about the franchise opportunity, including, but not limited to the following: that the base cost of a single franchise territory would be \$14,950; that royalty payments to Mr. Plant would be either \$200 or a 4% monthly fee; that franchisees are given a license to conduct business as a Mr. Plant franchise, along with the right to use the Mr. Plant trademark and Mr. Plant logos; that franchisees are given

1 the Mr. Plant pre-training course and a six day training program at Mr. Plant headquarters; that franchisees are
2 given operations, technical and sales manuals; and that franchisees are given continuous consultation from Mr.
3 Plant representatives for sales, policies & procedures and nursery service. The information packet also contains a
4 letter inviting the Washington resident to call 1-888-MR.PLANT for more information about purchasing a Mr.
5 Plant franchise.

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

9 7. As of the date this order was entered, Respondents were continuing to advertise their franchise
10 opportunity at mrplant.com.

11 **III. Registration Status**

12 8. Mr. Plant and McCarthy are not currently registered to sell franchises in the state of Washington and
13 have not previously been so registered.

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

15 **CONCLUSIONS OF LAW**

16 **I. Franchise**

17 The offer and/or sale of the franchise opportunity described in paragraphs 3, 4, 5, and 7 of the Tentative
18 Findings of Fact above constitutes the offer and/or sale of a franchise as defined in RCW 19.100.010(4).

19 **II. Violation of RCW 19.100.020**

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

III. Violation of RCW 19.100.170

The offer and/or sale of the franchise is in violation of RCW 19.100.170 because as set forth in paragraph 6 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.

IV. Emergency

The Securities Administrator finds that an emergency exists, that the continued violations of RCW 19.100.020 and RCW 19.100.170 constitute a threat to the investing public, and that a summary order to cease and desist from those violations is in the public interest and necessary for the protection of the investing public.

SUMMARY ORDER

Based on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that Respondents Mr. Plant and Lawrence R. McCarthy, their agents and employees, cease and desist from offering and/or selling franchises in any manner in violation of RCW 19.100.020, the section of the Franchise Investment Protection Act requiring registration.

It is further SUMMARILY ORDERED that Respondents Mr. Plant and Lawrence R. McCarthy, their agents and employees, cease and desist from violation of RCW 19.100.170, the anti-fraud section of the Franchise Investment Protection Act.

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DATED this _____ day of _____, 2001.



DEBORAH R. BORTNER
Securities Administrator

Approved by:

Presented by:

Michael E. Stevenson
Chief of Enforcement

Chad Standifer
Staff Attorney

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