1	STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS	
2	SECURITIES DIVISION	
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4	IN THE MATTER OF DETERMINING	SDO - 2 - 02
5	Whether there has been a violation Of the Franchise Investment Protection Act by:	500 - 2 - 02
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7	MR. PLANT, INC.; LAWRENCE R. MCCARTHY; their agents and employees,	ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF LAW AND FINAL ORDER TO CEASE AND DESIST
8	Respondents.	
9		Case No. 01-10-407
10		
11	THE STATE OF WASHINGTON TO: Mr. Plant, Inc. 1106 2nd Street	
12	Encinitas, C	CA 92024
13	Lawrence R. McCarthy Mr. Plant, Inc. 1106 2nd Street Encinitas, CA 92024	
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16	On November 19, 2001, the Securities Administr	rator of the State of Washington issued Summary Order to
17	Cease and Desist SDO-96-01 hereinafter referred to as "Summary Order."	
18	The Summary Order, together with a Notice of Opportunity to Defend and Opportunity for Hearing (hereinafter	
19	referred to as "Notice of Opportunity for Hearing") and an Application for Adjudicative Hearing (hereinafter referred	
20	to as "Application for Hearing") thereon, were served via certified mail on Respondents Lawrence R. McCarthy and	
21	Mr. Plant on December 1, 2001. The Notice of Opportunity for Hearing advised Respondents that they had twenty	
22	days from the date they received the notice to file a written application for an administrative hearing on the Summary	
23	Order.	
24		
25	ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF 1 LAW AND FINAL ORDER TO CEASE AND DESIST	DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Port 0023
26		PO Box 9033 Olympia, WA 98507-9033 360-902-8760
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Each of the Respondents declined to request an administrative hearing within twenty days of its receipt of the Summary Order and Notice of Opportunity for Hearing, either on the Application for Hearing provided or otherwise.

The Securities Administrator therefore adopts as final the findings of fact and conclusions of law as set forth in the Summary Order.

The Securities Administrator makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

I. Respondents

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 <u>http://www.mrplant.com/</u>, ("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 <u>http://www.mrplant.com/slshow01.php</u>. 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.

ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF LAW AND FINAL ORDER TO CEASE AND DESIST

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

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

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

III. Registration Status

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

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

CONCLUSIONS OF LAW

I. Franchise

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

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ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF LAW AND FINAL ORDER TO CEASE AND DESIST

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II. Violation of RCW 19.100.020

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

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.

FINAL ORDER

Based on the foregoing, NOW, THEREFORE, IT IS HEREBY ORDERED that Respondents Mr. Plant and Lawrence R. McCarthy, their agents and employees, each 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 ORDERED that Respondents Mr. Plant and Lawrence R. McCarthy, their agents and employees, each cease and desist from violation of RCW 19.100.170, the anti-fraud section of the Franchise Investment Protection Act.

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This Order is entered pursuant to RCW 19.100.248 and is subject to the provisions of Chapter 34.05 RCW.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF LAW AND FINAL ORDER TO CEASE AND DESIST

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

1	DATED this 8th day of January, 2002.	
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3		Debanh R Br her
4		DEBORAH R. BORTNER Securities Administrator
5		Securities Administrator
6	Approved by:	Presented by:
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8	Michael E. Stevenson	Chad Standifer
9	Chief of Enforcement	Staff Attorney
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