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

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

S-02-381-02-CO01

Bailine Scandinavia A/S; Lars Christensen; Lisa Cox;  
their agents and employees,

CONSENT ORDER

Respondents.

Case No. S-02-381

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**INTRODUCTION**

Pursuant to the Franchise Investment Protection Act of Washington, the Securities Division, Department of Financial Institutions, and Respondents, Bailine Scandinavia A/S; Lars Christensen; and Lisa Cox do hereby agree to this Consent Order in settlement of the above captioned matter. Respondents neither admit nor deny the Findings of Fact or Conclusions of Law as set forth below.

**FINDINGS OF FACT**

**I. Respondents**

1. Bailine Scandinavia, Inc. (“Bailine”) is a Norwegian corporation with a primary office located in Oslo, Norway.
2. Lars Christensen (“Christensen”) was the President and Director of ScandLife at all times relevant.

1 3. Lisa Cox (“Cox”) was the Vice President of Franchising of ScandLife at all time relevant and operates  
2 a Bailine salon in Kirkland, Washington.

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4 **II. Nature of the Offer**

5 4. Between 1999 and 2002, Bailine entered into at least eight “Partnership Agreements” with residents of  
6 the State of Washington. Bailine is in the business of promoting the concept of improving women’s health, beauty  
7 and self-image through figure-shaping and weight reduction.

8 5. Upon entering into the Agreement, the Washington residents acquired the right to use the Bailine  
9 name as a DBA, the “Bailine Method”, the Bailine BSP computer program and the Bailine motivational tapes.  
10 The purchasers must conduct business based on the ideas and guidelines provided by Bailine. Bailine supplied the  
11 purchasers with manuals that contain the Bailine Method.

12 6. The Agreements allowed the purchaser to establish a Bailine salon. The Agreement stipulates the  
13 specific area where the salon will be located.

14 7. The purchasers were required to pay a “start up fee” and a “support fee”. The start up fee included  
15 payment for five simulator machines, rights to the Bailine Method, manuals, videotapes and initial training. The  
16 support fee is paid monthly, based on the number of simulator machines in use.

17 10. Bailine purchasers were not provided with a Uniform Franchise Offering Circular (“UFOC”).

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19 **III. Registration Status**

20 9. Bailine Scandinavia A/S, Lars Christensen, and Lisa Cox are not currently registered to offer or sell  
21 franchises in the state of Washington and have not previously been so registered.

22 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 the Findings of Fact above constitutes the offer and/or sale of a franchise as defined in RCW 19.100.010(4) and (15) and (16).

**II. Violation of RCW 19.100.020**

2. The offer and/or sale of the franchises 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 said franchises as described above was made in violation of RCW 19.100.170 because Respondents failed to provide the Washington resident with a UFOC.

**CONSENT ORDER**

Based upon the foregoing:

IT IS THEREFORE AGREED AND ORDERED that Bailine Scandinavia A/S, Lars Christensen, Lisa Cox, and their agents and employees, each shall cease and desist from the offer and sale of unregistered franchises in the State of Washington in violation of RCW 19.100.020.

IT IS FURTHER AGREED AND ORDERED that Bailine Scandinavia A/S, Lars Christensen, Lisa Cox, shall disclose the existence and contents of this Order in any franchise registration disclosure document approved for use in the State of Washington, such requirement commencing from the date of entry of this Order.

IT IS FURTHER AGREED AND ORDERED that Bailine Scandinavia A/S, Lars Christensen, and Lisa Cox shall provide each Washington purchaser with a UFOC approved for use in the State of Washington and the approved rescission offer within 30 days of the entry of this order. Respondents shall subsequently provide proof to the Securities Division that the UFOC and the rescission offer were delivered to each Washington purchaser.

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IT IS FURTHER AGREED that Bailine Scandinavia A/S, Lars Christensen, and Lisa Cox shall be jointly and severally liable for and shall pay the Securities Division six hundred dollars (\$600) for its costs incurred in its investigation of this matter. Said payment must be made to the Division prior to the entry of this Order.

IT IS FURTHER AGREED that Bailine Scandinavia A/S, Lars Christensen, and Lisa Cox shall inform all employees and agents who offer franchises in the State of Washington of the existence and contents of this Order for a period of three years from the date of entry of this Order.

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

IT IS THEREFORE AGREED AND ORDERED that this Order shall remain in force and effect for a period of three years from the date of entry of this Order.

In consideration of the foregoing, Bailine Scandinavia A/S, Lars Christensen, and Lisa Cox, waive their right to a hearing in this matter and to judicial review of this Order.

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

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3 SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

4 Signed by:

5 Bailine Scandinavia A/S.

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7 By \_\_\_\_\_

8 Lars Christensen, President

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10 Signed by:

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13 Lars Christensen, individually

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16 Lisa Cox, individually

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**THIS ORDER ENTERED THIS 16th DAY OF December 2002 BY:**



DEBORAH R. BORTNER  
Securities Administrator

Approved by:

Presented by:

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Michael E. Stevenson  
Chief of Enforcement

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Susan Anderson  
Financial Legal Examiner