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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 of)
Washington by:)
LARADA SCIENCES, INC. d.b.a. LICE)
CLINICS OF AMERICA,)
Respondent)

Order No. S-17-2283-18-CO01

CONSENT ORDER

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division and Respondent Larada Sciences, Inc. d.b.a. Lice Clinics of America (“Larada”) do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondent neither admits nor denies the Findings of Fact or Conclusions of Law as stated below.

FINDINGS OF FACT

Respondents

1. Larada Sciences, Inc. is a Delaware corporation with its principal place of business in Murray, Utah. Larada manufactures and markets lice removal devices and licenses Lice Clinic of America (“LCA”) businesses that offer lice screening and diagnosis, lice-treatment services, and lice treatment products.

Nature of Offering

2. In 2014, Respondent Larada began licensing its Lice Clinic of America business model to Washington residents. Larada offered prospective Washington purchasers a license to operate an LCA location and the right to use the Larada marks and associated brands in a designated territory. Larada offered to provide purchasers with lice removal devices, a one time starter retail package of topical products, and products needed for the operation of the devices. Larada offered to provide prospective licensees with training and training materials for the devices. Larada also offered to provide prospective licensees with access to online resources where they could view training, support and marketing materials.

3. From 2014 to 2017, Larada sold licenses for at least eight LCA locations to Washington residents. Larada charged an initial license fee for the right to open an LCA business for a fee ranging from \$28,500 to \$42,000. Larada also charged licensees a “treatment fee” of \$35 for each treatment performed by a licensee. LSI provided licensees with website and Facebook page templates, access to an online site where they could order LCA branded marketing material. Larada provided licensees assistance in building a

1 website. Larada provided licensees a dedicated webpage on which they would be identified and could be
2 located as an LCA location.

3 **Violations**

4 4. As part of the offer of the LCA license opportunity, Larada gave some prospective
5 purchasers an Excel spreadsheet with financial projections of revenues for an LCA location. The
6 spreadsheet was not accompanied by all of the basis and material assumptions for the projections.

7 **Registration**

8 5. The Respondent Larada is not currently registered and has not been registered to offer
9 franchises in the State of Washington. Larada filed a franchise registration application, file number 70016408
10 with the Securities Division on November 28, 2017.

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

12 **CONCLUSIONS OF LAW**

13 1. The offer or sale of LCA businesses as described above constitutes the offer or sale of a
14 franchise as defined in RCW 19.100.010(6), RCW 19.100.010(12), and RCW 19.100.010(17).

15 2. Respondent Larada violated RCW 19.100.170, the violations section of the Franchise
16 Investment Protection Act, because they failed to provide a prospective purchaser all of the basis and
17 assumptions underlying financial projections made and either misrepresented or omitted to disclose material
18 facts.

19 3. Respondent Larada offered and sold said franchises in violation of RCW 19.100.020 because
20 no registration for such offer and sale by was on file with the Securities Administrator.

21 **CONSENT ORDER**

22 Based upon the foregoing and finding it in the public interest:

23 IT IS FURTHER AGREED AND ORDERED that Respondent Larada and its agents and employees,
24 shall each cease and desist from any violation of RCW 19.100.170, the violations section of the Franchise
25 Investment Protection Act of Washington.

IT IS FURTHER AGREED AND ORDERED that Respondent Larada and its agents and employees,
shall each cease and desist from any violation of RCW 19.100.020, the registration section of the Franchise
Investment Protection Act of Washington.

IT IS FURTHER AGREED AND ORDERED that Respondent Larada shall pay investigative costs of
\$ 9,725 prior to the entry of this Consent Order.

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

1 IT IS FURTHER AGREED that Respondent Larada enters into this Consent Order freely and
voluntarily and with a full understanding of its terms and significance.

2 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Larada waives its right
3 to a hearing and to judicial review of this matter.

4 Signed this _____ day of April, 2018.

5 Larada Sciences, Inc.

6 By _____ /s/
7 Claire Roberts, Chief Executive Officer

8 Approved as to form by:

9 _____ /s/
10 Max Schott, Attorney for Respondent

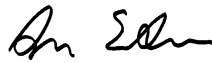
11
12 SIGNED and ENTERED this 23rd day of May, 2018

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14 

15 William M. Beatty
16 Securities Administrator

17 Approved by:

Presented by:

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19 
20 Suzanne Sarason
21 Chief of Enforcement

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23 Martin Cordell
24 Financial Legal Examiner

25 Reviewed by 

Jack McClellan
Financial Legal Examiner Supervisor

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