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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Simon Brodie
Allerca, Inc.
1205 Pacific Highway, Unit 1805
San Diego, CA 92101

DESIST AND REFRAIN ORDER
(For violations of section 31110 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, Allerca, Inc., is and was a California corporation incorporated on October 26, 2004. Its principal place of business is 1205 Pacific Highway, Unit 1805, San Diego, CA 92101. The company maintains a Web site at www.allerca.com. According to that Web site the company also maintains a business address at 11400 W. Olympic Blvd., Suite 200, Los Angeles, CA 90064.

2. At all relevant times, Simon Brodie (“Brodie”) was the President and control person of Allerca, Inc.

3. According to Allerca, Inc.’s Web site, the company has developed and plans to sell genetically engineered hypo-allergenic cats to the general public.

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1 4. In or about October 2006, Allerca, Inc. and Brodie began to offer franchises, for exclusive
2 geographic sales territories in which to sell hypo-allergenic cats, in the State of California through the
3 company's Web site at www.allerca.com. According to the Allerca, Inc. Web site, "The ALLERCA
4 Franchise Program goes into effect in 2007 and ALLERCA is currently accepting expressions of
5 interest for franchise territories available in the USA and internationally." "The primary role of the
6 ALLERCA independent franchisee is to provide direct sales support to a localized customer base."
7 Interested persons are invited to submit an inquiry form over the Internet and "a designated
8 ALLERCA representative will then contact you to discuss in greater detail."
9

10 5. The franchises offered or sold by Allerca, Inc. and Brodie are franchises within the meaning
11 of California Corporations Code section 31005. An ALLERCA franchisee is given an exclusive
12 geographic sales territory in which to sell the hypo-allergenic cats. An ALLERCA franchisee is
13 required to follow specific protocols, processes and procedures in the operation of the franchise.
14 Lastly, the ALLERCA franchisee is required to pay a fee of "\$45,000 per exclusive geographic
15 territory."
16

17 6. Allerca, Inc. and Brodie's offers or sales of franchises in California have not been registered
18 under the Franchise Investment Law and are not exempt under Chapter 1, beginning with California
19 Corporations Code section 31100, of that law.
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21 By reason of the foregoing findings, the California Corporations Commissioner is of the
22 opinion that Allerca, Inc. and Simon Brodie, are offering ALLERCA franchises in California that are
23 subject to registration under the Franchise Investment Law without the offers first being registered, in
24 violation of California Corporations Code section 31110. Pursuant to section 31402 of the California
25 Corporations Code, Allerca, Inc. and Simon Brodie, are hereby ordered to desist and refrain from the
26 further offer or sale of ALLERCA franchises unless and until the offers have been duly registered
27 under the Franchise Investment Law, or are exempt.
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This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies and provisions of the Corporate Securities Law of 1968.

Dated: November 2, 2006

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Lead Corporations Counsel
Enforcement Division