

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF BUSINESS OVERSIGHT

TO: Pauline Daskalakis, CFO, Manager
Chris M. Daskalakis, CEO
Mr. Oil Saver, LLC
Mr. Fire Safety, LLC
475 S. Shell Road, Suite C1
Debary, FL 32713

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

The California Commissioner of Business Oversight finds that:

1. At all relevant times, Pauline Daskalakis (hereinafter “Pauline”), was CFO and/or Manager of Mr. Oil Saver, LLC (hereinafter “Mr. Oil Saver”), a Florida limited liability company with a principal business address of 475 S. Shell Road, Suite C-1, Debary, Florida and a web address over the Internet at www.MrOilSaver.com.

2. At all relevant times, Chris M. Daskalakis (hereinafter “Chris”) was CEO of Mr. Oil Saver.

3. At all relevant times, Chris and Pauline both were Managers of Mr. Fire Safety, LLC (hereinafter “Mr. Fire Safety”), a Florida limited liability company using the same address as Mr. Oil Saver of 475 S. Shell Road, Suite C-1, Debary, Florida as its principal place of business.

4. Beginning in or about April, 2012, Pauline, Chris, and Mr. Oil Saver sold at least one “distributorship” for \$30,000.00 by entering into at least one “Mr. Oil Saver Distributor Agreement” (hereinafter “Agreement”) in California for the operation of a “Mr. OIL-SAVER Cooking Oil Filtration Machine Rental Service” and offered at least one “Mr. Fire Safety franchise”. The terms of that Agreement “appoint” the distributor to distribute certain “Products & Services”, which includes goods, accessories and/or renting or selling of the “Oil Saver cooking oil filtration machine of Mr. Oil Saver to eating establishments.”

1 5. Under the Agreement, a distributor has a right of first refusal for up to one year from the
2 purchase of its distributorship to also purchase for its territory a Mr. Fire Safety franchise for exhaust
3 hood cleaning and fire extinguisher services offered by Mr. Fire Safety for an additional \$20,000
4 which includes all the tools and equipment for one crew to perform those services, including “a 4,000
5 psi hot water pressure washer and all other tools necessary for performing kitchen exhaust hood
6 cleaning.” Distributors are told that marketing and training similar to Mr. Oil Saver would be
7 provided for the Mr. Fire Safety franchise.

8 6. The Agreement also provides for the following:

9 a. Continuous phone support provided by Mr. Oil Saver to the distributor, and weekly leads of
10 new restaurants within the territory for the life of the distributorship, as well as appointment setting
11 with restaurant owners for giving demos of the cooking oil filtration machine for up to three months
12 (depending on which plan the distributor purchases) or for \$20 a lead for any additional appointment
13 setting leads. Marketing and a Starter Package are also provided to a distributor and include ten Mr.
14 Oil-Saver Cooking oil filtration machines, one 6x6 box trailer with ramp door and side door with
15 company logos, appointment setting with restaurants up to one month or until starter units are rented,
16 business cards, post cards for mailing, truck magnets, polo shirts with logo and flex fit caps with
17 logos.

18 b. The distributor may advertise and hold itself out as an authorized distributor of the Products
19 & Services of Mr. Oil Saver and may use the “Mr. Oil Saver” name with Mr. Oil Saver’s permission
20 as well as the trademarks in advertisements and other activities by distributor to promote the sale of
21 the Products & Services.

22 c. The distributor is required to promote the Products & Services and develop the market
23 within its territory, as well as give demonstrations to restaurants, provide customer service to the
24 restaurant client, collect and fax to Mr. Oil Saver deposits and signed invoices with copies of a void
25 check from the restaurant, deliver the Oil-Saver machine, pick up and ship to Mr. Oil Saver any
26 machines that require repair and pay for half the shipping fees, purchase all product, equipment and
27 marketing material from Mr. Oil Saver and to not purchase any products or marketing material from
28 other sources. The distributor cannot rent or sell the cooking oil filtration machine at any price other

1 than the price plan by Mr. Oil Saver.

2 d. All cooking oil filtration machines are for rent only, may not be sold, and are the property
3 of Mr. Oil Saver which are leased to the distributor for as long as the distributor is in good standing.
4 The distributor is entitled to 60% of all monthly rental fees collected from the “Cooking Oil
5 Filtration” in its territory and Mr. Oil Saver retains 40%. All rental fees and deposits are collected
6 via ACH automatic bank by Mr. Oil Saver unless written permission is given otherwise. Mr. Oil
7 Saver then pays the distributor its commissions each month. If Mr. Oil Saver decides to sell any
8 machines to clients instead of renting, the distributor will receive 25% commissions from the gross
9 sale of each machine.

10 e. The distributor is required to conduct a minimum yearly business of bringing in at least 25
11 new accounts after 12 months, or Mr. Oil Saver retains the right to place additional distributors or
12 corporate sales people in the territory with no commissions paid to the distributor. The distributor’s
13 territory is exclusive only so long as it works within the guidelines of its Agreement and is in good
14 standing with Mr. Oil Saver. If the distributor violates the territory by taking customers that they do
15 not own, Mr. Oil Saver may fine or back charge the distributor an amount equal to that business, or
16 the distributor may risk losing its distributorship.

17 f. Mr. Oil Saver provides a three-day training to the distributor on how to operate its business,
18 perform demonstrations, perform marketing and grow its business and prepares all marketing
19 material for the distributor. The distributor is responsible for its own hotel, food and travel associated
20 with the training.

21 g. Facilities and sales personnel may be maintained by the distributor at a price “acceptable”
22 to Mr. Oil Saver. The distributor may sell its business, subject to a right of first refusal by Mr. Oil
23 Saver, however, a 30-day written notice is required for a new buyer, plus an additional transfer fee of
24 \$5,000 and a re-training fee of \$1,000. The distributor and all of its employees, partners, associates
25 or affiliates must sign a Mr. Oil Saver Non-Circumvent & Non-Compete Agreement and agree to not
26 circumvent or compete with Mr. Oil Saver’s products or services and related franchises like Mr. Fire
27 Safety at any time during the Agreement and for three years after its termination or will be subject in
28 part to fines and liquidated damages of \$100,000. The distributor also may not purchase or lease any

1 other cooking oil filtration machines from any other manufacturers.

2 7. The Agreement is for a ten year term, at the end of which the distributor has the option to
3 renew for a fee of three months-worth of average commissions paid to Mr. Oil Saver on the last year
4 of the 10 year cycle and withholding commissions due to the distributor over a four month period.

5 8. The offer of franchises by Pauline, Chris, and Mr. Oil Saver in California has not been
6 registered under the Franchise Investment Law and is not exempted under Chapter 1, beginning with
7 Corporations Code section 31100, of that law.

8
9 Based upon the foregoing findings, the California Commissioner of Business Oversight is of
10 the opinion that the Mr. Oil Saver Distributor Agreement and Mr. Fire Safety franchise constitutes
11 offers and/or sale(s) of franchises. Further, the California Commissioner of Business Oversight is of
12 the opinion that Pauline, Chris and Mr. Oil Saver have offered and/or sold franchises in California
13 that were subject to registration under the Franchise Investment Law without first being registered, in
14 violation of Corporations Code section 31110. Pursuant to section 31402 of the Corporations Code,
15 Pauline Daskalakis, Chris M. Daskalakis and Mr. Oil Saver, LLC are hereby ordered to desist and
16 refrain from the further offer or sale of Mr. Oil Saver franchises, or distributorship agreements for the
17 Mr. Oil-Saver Cooking Oil Filtration Machine Rental Services, as well as Mr. Fire Safety franchises
18 unless and until the offers have been duly registered under the Franchise Investment Law.

19
20 This Order is necessary, in the public interest, for the protection of investors and consistent
21 with the purposes, policies and provisions of the Franchise Investment Law.

22 Dated: July 7, 2014
23 Sacramento, California

24 JAN LYNN OWEN
25 California Commissioner of Business Oversight

26
27 By _____
28 MARY ANN SMITH
Deputy Commissioner
Enforcement Division