

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

TO: Sacramento Juice Franchising Corporation  
1380 Lead Hill Boulevard, Suite 106  
Roseville, California 95661  
www.sacramentojuicecompany.com

File No.: 995-3331  
995-3824

Steven Wayne Camp  
3701 South Clayton Road  
Farmersville, Ohio 45325

and

Eric Vaughn Garrison  
705 East Bidwell Street, Suite 2-264  
Folsom, California 95630

**DESIST AND REFRAIN ORDER AND CITATION**  
(For violations of sections 31123, 31200 and 31203 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Sacramento Juice Franchising Corporation (“Sac Juice”) is a California corporation that was formed on February 4, 2003. Its principal place of business is 1380 Lead Hill Boulevard, Suite 106, Roseville, California 95661. Sac Juice is a subfranchisor, as defined by Franchise Investment Law Section 31009, for Juice Zone Franchising Corporation (Juice Zone), a Delaware corporation. Sac Juice is also the Juice Zone subfranchisor for Nevada and parts of Arizona.

2. In February 2003, the Department of Corporations registered Sac Juice to sell Juice Zone franchises in California. Additionally, in October 2006, the Department of Corporations registered Sac Juice to sell Development Agent franchises for Juice Zone. Juice Zone franchises are

1 retail juice and smoothie bars. The Juice Zone mission is to “provide customers with a healthy  
2 alternative to traditional fast food that’s great tasting, convenient and nutritious.”

3           3. Eric Vaughn Garrison was one of the founders of Sacramento Juice Franchising  
4 Corporation, and at all times from the date of its creation acted as one of its principal officers and  
5 directors in fact, exercising management responsibility and control with regard to all facets of its  
6 operations, including the franchises offered by the company.

7           4. Steven Wayne Camp, was one of the founders of Sacramento Juice Franchising  
8 Corporation, and at all times from the date of its creation acted as one of its principal officers and  
9 directors in fact, exercising management responsibility and control with regard to all facets of its  
10 operations, including the franchises offered by the company.

11           5. In February 2003, the Department of Corporations approved Sac Juice to sell Juice  
12 Zone franchises. Sac Juice renewed its application annually, and the Department of Corporations  
13 approved its registration, every year since 2003. The current registration for Sac Juice to sell  
14 franchises is effective from May 16, 2007 through April 20, 2008.

15           6. In October 2005 the Department of Corporations approved Sac Juice to sell  
16 Development Agent franchises in California. Sac Juice renewed its application annually, and the  
17 Department of Corporations approved its registration every year since 2005. The current registration  
18 for Sac Juice to sell Development Agent franchises is effective from May 16, 2007 through April 20,  
19 2008.

20           7. Beginning in 2003 for the franchise registration and beginning in 2005 for the  
21 Development Agent franchise registration, and continuing each year since, the Department of  
22 Corporations imposed a condition to the registrations, requiring that Sac Juice waive the franchise fee  
23 for all new franchisees until Sac Juice met all pre-opening obligations for the franchisee and met all  
24 obligations for the Development Agent franchisees. The Department of Corporations imposed this  
25 condition to registration because it found that it was necessary to protect prospective franchisees  
26 because Sac Juice failed to demonstrate that adequate financial arrangements had been made to fulfill  
27 Sac Juice’s obligations to provide real estate, improvements, equipment, inventory, training, or other  
28

1 items. The Department of Corporations imposed this condition pursuant to Franchise Investment  
2 Law Section 31113.

3 8. Sac Juice agreed to this condition and acknowledged it each year, including the  
4 present franchise registration effective May 16, 2007 through April 20, 2008, by putting the  
5 following language in the California Addendum to its Offering Circular,

6 “The Offering Circular, franchise agreement and development agent agreement are amended  
7 to provide that initial franchise fee is paid when you complete training and we have fulfilled  
8 our obligations for you to be ready to open for business.”

9 9. Sac Juice agreed to this condition and acknowledged it each year, including the  
10 present Development Agent franchise registration effective May 16, 2007 through April 20, 2008, by  
11 putting the following language in the California Addendum to its Offering Circular,

12 “The Offering Circular, franchise agreement and development agent agreement are amended  
13 to provide that franchisees and development agents pay the initial franchise fee when training  
14 is completed and we have fulfilled our obligations for you to be ready to open for business.”

15 10. Despite this condition, from at least 2004 to the present, Sac Juice collected at least  
16 \$1.698 million in franchisee fees and in Development Agent fees from California franchisees before  
17 Sac Juice met any of its obligations, in violation of Franchise Investment Law Section 31203. Some  
18 franchisees never opened a store and some Area Development Agents never received royalties as  
19 promised.

20 11. On September 24, 2007, Sac Juice, Eric Vaughn Garrison, and Steven Wayne Camp  
21 each filed Chapter 7 bankruptcy in the United States Bankruptcy Court, Eastern District of California.  
22 This bankruptcy leaves Juice Zone franchisees that gave thousands of dollars to Sac Juice prior to the  
23 opening of their franchises with no store and no support to run their franchise. Accordingly, Juice  
24 Zone, the franchisor, did not assist the franchisees.

25 12. From 2005 to at least September 2007, Sacramento Juice Franchising Corporation,  
26 Eric Vaughn Garrison, and Steven Wayne Camp violated Franchise Investment law section 31200 by  
27 willfully making untrue statements of material fact in the franchise registration applications, and  
28 failing to notify the commissioner of any material change as required by Section 31123 by:

1 a) collecting franchise fees and Development Agent fees prior to fulfilling their  
2 obligations, despite including the waiver of fees condition in the Offering Circular, and

3 b) failing to notify the commissioner that they were collecting fees prior to fulfilling  
4 their obligations.

5 13. Based upon the foregoing findings, the California Corporations Commissioner is of  
6 the opinion that Sacramento Juice Franchising Corporation, Eric Vaughn Garrison, and Steven  
7 Wayne Camp, violated a condition to registration by taking fees prior to fulfilling obligations in  
8 violation of Corporations Code section 31203. Pursuant to section 31406 of the Corporations Code,  
9 Sacramento Juice Franchising Corporation, Eric Vaughn Garrison, and Steven Wayne Camp are  
10 hereby ordered to desist and refrain from the further offer or sale of franchises including but not  
11 limited to Juice Zone franchises in violation of 31203 in California.

12 14. Based upon the foregoing findings, the California Corporations Commissioner is of  
13 the opinion that Sacramento Juice Franchising Corporation, Eric Vaughn Garrison, and Steven  
14 Wayne Camp, willfully made an untrue statement of material fact in the franchise registration  
15 application and failed to notify the commissioner of any changes in violation of Corporations Code  
16 section 31200 and 31123. Pursuant to section 31406 of the Corporations Code, Sacramento Juice  
17 Franchising Corporation, Eric Vaughn Garrison, and Steven Wayne Camp are hereby ordered to  
18 desist and refrain from the further offer or sale of franchises including but not limited to Juice Zone  
19 franchises in violation of 31200 and 31123 in California.

20 ADMINISTRATIVE PENALTY

21 15. Pursuant to section 31406 of the Corporations Code, Sacramento Juice Franchising  
22 Corporation, is hereby assessed and ordered to pay an administrative penalty of forty thousand dollars  
23 (\$40,000.00) for sixteen violations of Corporations Code Section 31203, twenty thousand dollars  
24 (\$20,000.00) for eight violations of section 31123 and twenty thousand dollars (\$20,000.00) for eight  
25 violations of Corporations Code Section 31200 or according to proof. All penalties are due and  
26 payable 30 days after this order becomes final.

ANCILLARY RELIEF

16. Pursuant to section 31408 of the Corporations Code, Sacramento Juice Franchising Corporation is hereby ordered to pay restitution to all California franchisees, for collecting fees and not fulfilling pre-opening obligations in an amount of at least \$1.698 million or according to proof. All restitution is due and payable 30 days after this order becomes final.

17. Corporations Code Section 31406 states:

- “(a) If, upon inspection or investigation, based upon a complaint or otherwise, the commissioner has cause to believe that a person is violating any provision of this division or any rule or order promulgated pursuant to this division, the commissioner may issue a citation to that person in writing describing with particularity the basis of the citation. Each citation may contain an order to desist and refrain and an assessment of an administrative penalty not to exceed two thousand five hundred dollars (\$2,500.00) per violation and shall contain reference to this section, including the provisions of subdivision (c). All penalties collected under this section shall be deposited in the State Corporations Fund.
- (b) The sanctions authorized under this section shall be separate from, and in addition to, all other administrative, civil, or criminal remedies.
- (c) If within 60 days from the receipt of the citation, the person cited fails to notify the commissioner that the person intends to request a hearing as described in subdivision (d), the citation shall be deemed final.
- (d) Any hearing under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part I of Division 3 of Title 2 of the Government Code.
- (e) After the exhaustion of the review procedures provided for this section, the commissioner may apply to the appropriate superior court for a judgment in the amount of the administrative penalty and order compelling the cited person to comply with the order of the commissioner. The application shall include a certified copy of the final order of the commissioner and shall constitute a sufficient showing to warrant the issuance of the judgment and order.”

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

Dated: October 12, 2007  
Sacramento, California

PRESTON DUFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
ALAN S. WEINGER  
Lead Corporations Counsel  
Enforcement Division