

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, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Jeff Levine, President, Director
Robert Spuck, Vice President, Franchise Development and Director
Salad Creations of America, Inc.
5100 W. Copans Road, Suite 300
Margate, FL 33063

Daniel F. Celestina
Geri Celestina
Dan Celestina
Salad Creations Development
3222 Glendora Drive, #110
San Mateo, CA 94403

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

The California Corporations Commissioner finds that:

1. At all relevant times, Jeff Levine (hereinafter “Levine”) was the President and Director of Salad Creations of America, Inc. (hereinafter “Salad Creations of America”), a Florida corporation formed on June 20, 2003 and which operates a website on the Internet at www.saladcreations.net.
2. At all relevant times, Robert Spuck (hereinafter “Spuck”) was the Vice President, Franchise Development and Director for Salad Creations of America.
3. At all relevant times, Daniel Celestina, Geri Celestina, and Dan Celestina, were principals of Salad Creations Development, a California corporation formed on January 22, 2007, and were Area Developers of Salad Creations of America.
4. Salad Creations of America is a national food chain that markets itself as selling salads and other healthy quick foods as an alternative to traditional fast foods. One of its claimed missions is to open new locations across the country and internationally with an “aggressive” growth plan through franchising.

1 5. Salad Creations of America supplies a Franchise Application on its website that it requires
2 to be submitted to become one of its franchisees. Salad Creations of America also charges
3 franchisees an initial franchise fee of \$25,000 and a site assistance fee of \$1000. Other costs
4 franchisees are required to pay include in part, construction, kitchen equipment, business equipment,
5 brand and design materials. Salad Creations of America tells franchisees that the total cost for buying
6 one of its franchises amounts to \$124,000 to \$383,500, for which, franchisees are granted the right to
7 operate a store using the Salad Creations brand.

8 6. Salad Creations of America provides new franchisees a “Discovery Day” in Fort
9 Lauderdale, FL to attend for education and training on how to run a Salad Creations franchise,
10 including buying power, exclusive products, available investment and financing, and advertising and
11 marketing strategy.

12 7. With regard to advertising, Salad Creations of America promises franchisees brand support
13 through an aggressive, nationwide advertising and media relations campaign to promote the Salad
14 Creations brand recognition and growth of the chain. It also promises franchisees support through a
15 marketing team that maintains a calendar of promotions and local store marketing support. For
16 instance, franchisees are provided a “standard grand opening package design” and programs such as
17 the frequent dinner card, customer e-mail communications, in-store displays, marketing programs
18 tailored to the franchisee’s local demographic and a company-wide communication intranet system
19 for communication and other information. The marketing team is also promised to help increase the
20 number of franchises and work with “key trade media” for editorial brand coverage.

21 8. With regard to training and support, Salad Creations of America promises psychological
22 and operational support. For psychological support, franchisees are provided 1) a Salad Chef
23 Selection series to help identify good Salad Chefs, 2) a Salad Chef Profile and Manager Profile for
24 identifying behaviors for success, and 3) a publication called “Food for Thought” which provides
25 book summaries, how-to tips, and industry news. For operational support, franchisees are promised
26 training in food service, guest service, health and safety, marketing and advertising, merchandising,
27 purchasing and inventory control through such programs like S.A.L.A.D.S., a 6 step process on how
28 to meet guest expectations. Salad Creations of America also promises franchisees site assistance,

1 including build-out, assistance with the point-of-sales system, inventory and grand opening
2 preparation. Area Developers are also present at the local site to assist store set-up, on-site training,
3 and opening.

4 9. Salad Creations of America employs Area Developers to offer and sale franchises within
5 specified territories. Area Developers must be willing to own and operate a Salad Creations franchise
6 which the Area Developer uses as a prototype, training center and base of operations for expansions
7 within that developer's territory. Area Developers share in the franchise fees and royalty revenues
8 within their territories. Salad Creations of America provides each Area Developer operations and
9 training support including franchise sales, construction, ordering equipment and inventory, store
10 operations, marketing and customer service.

11 10. Beginning on or around March 17, 2007, Daniel Celestina, Geri Celestina, Dan Celestina,
12 and Salad Creations Development began offering and/or selling franchises as Area Developers of
13 Salad Creations of America in territories located in the counties of San Diego, Riverside, Imperial,
14 and/or San Bernadino.

15 11. The offers and/or sales of franchises by Levin, Spuck, Salad Creations of America,
16 Daniel Celestina, Geri Celestina, Dan Celestina, and Salad Creations Development in California have
17 not been registered under the Franchise Investment Law and are not exempted under Chapter 1,
18 beginning with Corporations Code section 31100, of that law.

19 Based upon the foregoing findings, the California Corporations Commissioner is of the
20 opinion that Jeff Levin, Robert Spuck, Salad Creations of America, Inc., Daniel Celestina, Geri
21 Celestina, Dan Celestina, and Salad Creations Development, are offering Salad Creations franchises
22 in California that are subject to registration under the Franchise Investment Law without the offers
23 first being registered, in violation of Corporations Code section 31110. Pursuant to section 31402 of
24 the Corporations Code, Jeff Levin, Robert Spuck, Salad Creations of America, Inc., Daniel Celestina,
25 Geri Celestina, Dan Celestina, and Salad Creations Development, are hereby ordered to desist and
26 refrain from the further offer or sale of Salad Creations franchises unless and until the offers have
27 been duly registered under the Franchise Investment Law.

28 ///

1 This Order is necessary, in the public interest, for the protection of investors and consistent with the
2 purposes, policies and provisions of the Corporate Securities Law of 1968.

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

Dated: September 24, 2007
Sacramento, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
SHARON A. LUERAS
Lead Corporations Counsel
Enforcement Division