

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING) Order No.: S-13-1280-13-CO01
5 whether there has been a violation of the)
6 Franchise Investment Protection Act of) CONSENT ORDER
7 Washington by:)
8)
9 Mr. Oil Saver, LLC; Mr. Fire Safety, LLC; and)
10 Chris Daskalakis,)
11)
12 Respondents.)

13 **INTRODUCTION**

14 Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division
15 and Respondents, Mr. Oil Saver, LLC; Mr. Fire Safety, LLC; and Chris Daskalakis, do hereby enter into this
16 CONSENT ORDER in settlement of the matters alleged herein. Respondents, Mr. Oil Saver, LLC; Mr. Fire Safety,
17 LLC; and Chris Daskalakis, neither admit nor deny the Findings of Fact or Conclusions of Law as stated below.

18 **FINDINGS OF FACT**

19 Respondents

- 20
- 21 1. Mr. Oil Saver, LLC (Mr. Oil Saver) is a Florida limited liability company with its principal place of business
22 at 475 South Shell Rd., Suite 1C, Debary, FL 32713.
 - 23 2. Mr. Fire Safety, LLC (Mr. Fire Safety) is a Florida limited liability company with its principal place of
24 business at 475 South Shell Rd., Suite 1C, Debary, FL 32713.
 - 25 3. Chris M. Daskalakis (Daskalakis) is the founder and CEO of Mr. Oil Saver and Mr. Fire Safety.

Nature of the Offering

4. Mr. Oil Saver is in the business of renting and selling cooking oil filtration machines (filtration machines) to
restaurants. These filtration machines extend the life of cooking oil and can purportedly lower a restaurant's
cooking oil costs in half.
5. In June 2012, Mr. Oil Saver posted an ad on Craigslist soliciting people to become Mr. Oil Saver distributors.
For a fee of \$40,000, Mr. Oil Saver would provide distributors with materials to help sell and lease the filtration

1 machines to restaurants in a specified territory. These materials included training materials, marketing materials,
2 business cards, and a lead service.

3 6. In or around July 2012, a Washington Resident (Resident) responded to the Craigslist ad. Resident began
4 communicating telephonically with representatives from Mr. Oil Saver. Resident spoke to Daskalakis regarding the
5 purchase of the distributorship. Daskalakis sold the distributorship to Resident.

6 7. On or about August 8, 2012, Resident signed the Mr. Oil Saver Distributor Agreement (Agreement). Under
7 the Agreement, Mr. Oil Saver (a) charged Resident a fee, (b) provided Resident with materials containing Mr. Oil
8 Saver's trademark, and (c) provided Resident with marketing materials. Mr. Oil Saver and Daskalakis failed to
9 provide Resident with a Franchise Disclosure Document (FDD) pertaining to the Agreement.

10 8. The Agreement contains provisions that grant Mr. Oil Saver a certain level of control over the Resident's Mr.
11 Oil Saver business. These provisions include price controls, sales quotas, machine repair procedures, and insurance
12 requirements.

13 9. At or around the time the Resident signed the Agreement, the Resident paid Mr. Oil Saver a fee of at least
14 \$32,000. This fee covered the cost of the distributorship and four filtration machines. The Resident paid this fee to
15 Mr. Oil Saver by wiring funds from his checking account and by charging a credit card.

16 10. The Agreement contains a provision that, within thirty to sixty days, Mr. Oil Saver will prepare marketing
17 materials and provide three days of training to the distributor. The Resident attended a Mr. Oil Saver training in
18 Florida. At this training, Mr. Oil Saver taught Resident how to set up a Mr. Oil Saver company, provided Resident
19 with marketing tips for closing accounts, and taught Resident how to use the filtration machines.

20 11. The Agreement contains a provision that Mr. Oil Saver will provide the distributor with Mr. Oil Saver
21 business cards, Mr. Oil Saver truck magnets, Mr. Oil Saver Polo Shirts, and Mr. Oil Saver hats. Mr. Oil Saver
22 provided Resident with Mr. Oil Saver business cards featuring Resident's name and the Mr. Oil Saver logo. These
23 business cards did not say "distributor" on the card. Resident also received Mr. Oil Saver truck magnets, shirts and
24 hats containing the Mr. Oil Saver logo. Mr. Oil Saver encouraged distributors to wear the Mr. Oil Saver logo.
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1 12. Mr. Oil Saver granted distributors permission and license to register a d/b/a as Mr. Oil Saver. Mr. Oil Saver
2 told distributors to do all Mr. Oil Saver business under the name Mr. Oil Saver and not another company.

3 13. The Agreement offers the distributor a right of first refusal to purchase a Mr. Fire Safety franchise in the
4 distributor's Mr. Oil Saver territory. Mr. Fire Safety is in the business of providing exhaust hood cleaning and fire
5 extinguisher services to restaurants. Mr. Fire Safety charges franchisees a franchise fee, provides franchisees with a
6 marketing plan, and grants franchisees the right to use the Mr. Fire Safety trademark. At the Florida training,
7 Resident was orally offered to purchase a Mr. Fire Safety franchise. Resident did not purchase a Mr. Fire Safety
8 franchise.

9 Misrepresentations and Omissions

10 14. Mr. Oil Saver and Daskalakis failed to disclose to Resident that Daskalakis filed for Chapter 7 bankruptcy on
11 October 11, 2002 and that the bankruptcy was discharged in January 2003.

12 Registration Status

13 15. Respondent, Mr. Oil Saver, LLC, is not currently registered to sell its franchises in the state of Washington
14 and has not previously been so registered.

15 16. Respondent, Mr. Fire Safety, LLC, filed a registration application with the state of Washington on December
16 10, 2010. On August 31, 2012, the state of Washington cancelled Mr. Fire Safety's franchise application due to
17 inactivity in the registration process. Mr. Fire Safety, LLC is not currently registered to sell its franchises in the state
18 of Washington and has not previously been so registered.

19 **CONCLUSIONS OF LAW**

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

21 **I.**

22 The offer and/or sale of a distributorship and the right of first refusal to purchase a franchise, as described
23 above, constitutes the offer and/or sale of a franchise as defined in RCW 19.100.010(6), RCW 19.100.010(12), and
24 RCW 19.100.010(17).
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II.

The offer or sale of the Mr. Oil Saver distributorship is in violation of RCW 19.100.020 because no registration for such offer and/or sale was on file with the Securities Administrator, State of Washington.

III.

The offer of the right of first refusal to purchase a Mr. Fire Safety franchise is in violation of RCW 19.100.020 because no registration for such offer was on file with the Securities Administrator, State of Washington.

IV.

The offer and/or sale of the Mr. Oil Saver distributorship was in violation of RCW 19.100.080, the disclosure document requirement provision of the Franchise Investment Protection Act, because Mr. Oil Saver and Daskalakis failed to provide prospective purchasers with a franchise disclosure document or offering circular as described in RCW 19.100.040 prior to the sale of the franchise.

IV.

The offer and sale of the Mr. Oil Saver distributorship was in violation of RCW 19.100.170 because Mr. Oil Saver and Daskalakis failed to disclose that Daskalakis filed for Chapter 7 bankruptcy.

CONSENT ORDER

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

IT IS AGREED AND ORDERED that Respondents, Mr. Oil Saver, LLC; Mr. Fire Safety, LLC; and Chris Daskalakis, and their agents and employees shall each cease and desist from offering or selling franchises in violation of RCW 19.100.020, the registration section of the Franchise Investment Protection Act of the state of Washington.

IT IS FURTHER AGREED that Respondents, Mr. Oil Saver, LLC and Chris Daskalakis, and their agents and employees shall each cease and desist from selling franchises in violation of RCW 19.100.080, the disclosure document requirement provision of the Franchise Investment Protection Act of the state of Washington.

1 IT IS FURTHER AGREED that Respondents, Mr. Oil Saver, LLC and Chris Daskalakis, and their agents
2 and employees shall each cease and desist from violating RCW 19.100.170, the anti-fraud section of the Franchise
3 Investment Protection Act of the state of Washington.

4 IT IS FURTHER AGREED that Respondents, Mr. Oil Saver, LLC; Mr. Fire Safety, LLC; and Chris
5 Daskalakis, shall reimburse the Securities Division \$3,000 for its investigative costs of this matter. The payment of
6 the costs shall be made as follows: Respondents, Mr. Oil Saver, LLC; Mr. Fire Safety, LLC; and Chris Daskalakis,
7 shall pay \$500.00 towards the investigative costs on or before the entry of this Consent Order. Respondents, Mr. Oil
8 Saver, LLC; Mr. Fire Safety, LLC; and Chris Daskalakis, shall then pay the remaining investigative costs in monthly
9 payments for the following five consecutive months, with each monthly payment in the amount of \$500.00. Each
10 payment shall be due on the first day of the month, unless the first day of the month falls on a weekend or holiday, in
11 which case payment shall be due on the first business day following the first day of the month.

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

13 IT IS FURTHER AGREED that Respondents, Mr. Oil Saver, LLC; Mr. Fire Safety, LLC; and Chris
14 Daskalakis, enter into this Consent Order freely and voluntarily and with full understanding of its terms and
15 significance.

16 IT IS FURTHER AGREED that in consideration of the foregoing, Mr. Oil Saver, LLC; Mr. Fire Safety,
17 LLC; and Chris Daskalakis, waive their right to a hearing and to judicial review of this matter.

18
19
20 Signed this 21 day of January 2014.

21 Signed by:

22 Mr. Oil Saver, LLC

23 /s/ Chris Daskalakis
24 Chris Daskalakis
25 Chief Executive Officer of Mr. Oil Saver, LLC

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Signed by:

Mr. Fire Safety, LLC

 /s/ Chris Daskalakis

Chris Daskalakis
Chief Executive Officer of Mr. Fire Safety, LLC

Signed by:

 /s/ Chris Daskalakis

Chris Daskalakis, Individually

Approved as to Form by:

 /s/ Thomas Acey

Thomas Acey, Attorney for Respondents
Florida Bar No. 874612

SIGNED and ENTERED this 30th day of January 2013.



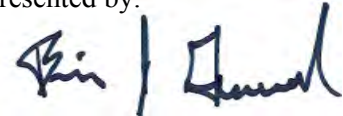
William M. Beatty
Securities Administrator

Approved by:



Suzanne Sarason
Chief of Enforcement

Presented by:



Brian J. Guerard
Financial Legal Examiner

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Reviewed by:



Jack McClellan
Financial Legal Examiner Supervisor