Division of Securities
Utah Department of Commerce
160 East 300 South
P. O. Box 146760
Salt Lake City, UT 84114-6760
Telephone: (801) 530-6600
FAX: (801) 530-6980

**BEFORE THE DIVISION OF SECURITIES**
**OF THE DEPARTMENT OF COMMERCE**
**OF THE STATE OF UTAH**

| | |
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| **IN THE MATTER OF:** | **EMERGENCY ORDER TO CEASE AND DESIST, AND ORDER TO SHOW CAUSE** |
| **FLAVOR BRANDS, INC.,**<br>**J. D. PULVER,**<br>**TIM HASKINS, and**<br>**DENISE SULLIVAN,** | **Docket No.** SD-06-0057<br>**Docket No.** SD-06-0058<br>**Docket No.** SD-06-0059<br>**Docket No.** SD-06-0060 |
| **Respondents.** | |

This matter comes before the Director of the Utah Division of Securities (the Division) on allegations of Division staff that Flavor Brands, Inc., J. D. Pulver, Tim Haskins, and Denise Sullivan (collectively, Respondents) have engaged in acts and practices which violate the Utah Uniform Securities Act, Utah Code Ann. § 61-1-1, et seq. (the Act). Having been advised of relevant facts discovered in the course of the Division staff's investigation of this matter, the Director finds and concludes that Respondents' conduct presents an immediate and significant danger to the public welfare, and that the threat requires immediate action by the Division. The Director issues this

Emergency Order in accordance with the provisions of Utah Code Ann. § 63-46b-20. The Director further issues this Order to Show Cause in accordance with the provisions of Utah Code Ann. § 61-1-20 (1).

## FINDINGS OF FACT AND CONCLUSIONS OF LAW

In support of this Emergency Order and Order to Show Cause, the Division's staff has received evidence establishing the following facts:

### PARTIES

1. Flavor Brands, Inc., Utah Division of Corporations Entity No. 861408-0142 (Flavor Brands I), is an expired Utah corporation. Flavor Brands I registered as a Utah corporation under the name of Turkey Jerky, Inc. (Turkey Jerky), in March 1984, but changed its name to Flavor Brands I in October 1991.[1] The business address for Flavor Brands I, at the time of its incorporation as Turkey Jerky, was 1360 East 13200 South, Draper, UT. Flavor Brands I was involuntarily dissolved in June 1999 for failure to file an annual report.[2]

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[1]The incorporators and directors of Turkey Jerky in 1984 were Utah residents Clifford L. Green, Blake L. Franzman, and Robert L. Jackman and the original officers and directors of Turkey Jerky were Clifford L. Green, president; Carroll I. Draper, Vice-president; G. Blaine Davis, Secretary; and Robert L. Jackman.

[2]In 1998, after the name change to Flavor Brands, and at the time of the last annual renewal, Flavor Brands I named Illinois residents Charles Shriver as president, Christopher R. Cline as secretary of the company, and also named Charles Shriver, Christopher Cline and Utah resident Jeff Cline as directors. The business address was listed as Taylor and Associates, Inc., 3090 E. 3300 South, Suite 400, Salt Lake City, UT.

2. Flavor Brands, Inc., Utah Division of Corporations Entity No. 5918144-0142 (Flavor Brands II), is a Utah corporation in good standing.[3] Flavor Brands registered as a Utah corporation in May 2005. In 2005, its principal place of business given with the Utah Division of Corporations was 9050 W. Warm Springs Road, #1136, Las Vegas, NV, 89148, the same address as Denise Sullivan, the incorporator of Flavor Brands II. In 2006, Flavor Brands II listed the same business address in information given to the Pink Sheets, an electronic service that publishes the bid and asking prices for low-priced, thinly-traded stocks. Its current business listed with the Division of Corporations, however, is 9101 W. Sahara Avenue, #105-250, Las Vegas, NV 89117.

3. J. D. Pulver (Pulver) is a resident of Florida. Pulver is the president of Flavor Brands II. Pulver was appointed president in May 2006. His address is 11705 Boyette Rd., Suite 437, Riverview, FL 33569.

4. Tim Haskins (Haskins) is a resident of Nevada. Haskins is vice president, secretary and treasurer of Flavor Brands II. Haskins was appointed secretary of Flavor Brands II in May 2006. His address is 924 Demet, Las Vegas, NV 89119.

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[3]The original officers and directors of Flavor Brands II were Denise S. Sullivan, president; and Charles E. Langrill, secretary and treasurer. Sullivan, Langrill and Joseph Arcaro were also the directors of the company. In March 2006, Sullivan filed a change form, removing herself and adding J. D. Pulver as president, removing Arcaro and adding Tim Haskins as vice president; removing Langrill and adding Haskins as secretary/treasurer. In May 2006, Arcaro filed a competing registration change form, removing Sullivan and adding himself as president, and naming Tim Hasksin as vice-president, secretary and treasurer.

5. Denise Sullivan, the former president of Flavor Brands II, is a resident of Nevada. Her address is 9050 Warm Springs Rd., #1136, Las Vegas, NV 89148.

**FRAUDULENT STOCK OFFER**

6. Flavor Brands I was a publicly-held company until 1999 when the company dissolved. Indeed, before the name change to Flavor Brands I in 1991, Turkey Jerky had registered a stock offering with the Division effective January 24, 1985 for one year. After dissolution and after the two-year period for reinstatement had expired, any outstanding shares of Flavor Brands I stock became invalid.[4]

7. Although Flavor Brands I stock had become invalid, when Flavor Brands II incorporated in 2005, the new company declared its future intent and purported ability to accept shares of Flavor Brands I as follows:

> It is the preferences, limitations and relative rights of the corporation to let it be known that the previous Flavor Brands, Inc., Utah Corporate ID Number 861-0142 was dissolved in the year 2001. It is the intent of this, the new Flavor Brands, Inc, to notify by public notice, all shareholders of the previous Flavor Brands., that any shares of Flavor Brand, Inc. issued and outstanding on the books of that Corporation, as recorded by American Registrar & Transfer Co., Salt Lake City, Utah, will be accepted for exchange as per the terms, limitations, and relative rights of the incorporator herein.

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[4]In Utah, dissolved corporations may apply for reinstatement only within a two-year period after dissolution. Utah Code Ann. § 16-10a-1422(1); see also Biothrust v. Division of Corporations, 2003 UT App 360, ¶8, 80 P.3d 164, 166, (citing Holman v. Callister, Duncan & Nebeker, 905 P.2d 895, 897 (Utah App. 1995)), cert. denied, 87 P.3d 1163.

8. Respondents waited until 2006 to formally act on the stated intent of Flavor Brands II and its purported ability to accept Flavor Brands I stock.

9. On May 17, 2006, members of the board for Flavor Brands II adopted a resolution, approving the issuance of a combined total of forty million shares of its common stock. The resolution was approved by Pulver and Haskins as officers of the company.

10. In June 2006, Flavor Brands II announced, in the Pink Sheets, it was swapping new shares of Flavor Brands II stock for old shares of Flavor Brands I stock. Flavor Brands I stock was listed in the Pink Sheet under the symbol FLVB. Information posted about FLVB in the Pink Sheets is available online in Utah.

11. On June 29, 2006, the Division learned that Flavor Brands II submitted information to the Pink Sheets, claiming to be the successor to Turkey Jerky, in the Pink Sheets, as follows:

> FLVB–Flavor Brands, Inc. Com ($0.001); State of Incorporation: Utah; Outstanding Shares: 150,000,000 as of 2006-05-03; Company Notes: Formerly Turkey Jerky, Inc., to 10-91; and Transfer Agent: American Registrar & Transfer Co., Salt Lake City, UT 84111.

12. Flavor Brands II not only claimed to be the purported successor to Turkey Jerky in the Pink Sheets, but also claimed to have the ability to seek a stock swap as follows:

> . . .
> **Business Description**
> In May 2005, articles of Inc for Flavor Brands, Inc., were filed w/ the dept. of commerce, state of Utah. The new incorporator of Flavor Brands, Inc. will seek a stock swap of old Flavor Brands stock for newly issued stock.
> . . .
> **Company Notes**

Formerly = Turkey Jerky, Inc. to 10-91

. . .

13. In a letter dated July 10, 2006, the Division told Flavor Brands II to delist information about FLVB stock in the Pink Sheets within ten days and to discontinue the representation that it was the successor to Turkey Jerky because Flavor Brands I has no successor.

14. Flavor Brands II did not delist as directed and continued to represent, in the Pink Sheets, that Flavor Brands I would be merging with Flavor Brands II, and that FLVB stock listed was Flavor Brand I stock.

15. On August 1, 2006, the information about Flavor Brands II in the Pink Sheets was the same as on June 29, 2006 as stated in ¶¶ 11-12.

16. The representations by Respondents in the Pink Sheets are false for several reasons:

    a. A dissolved corporation continues its corporate existence after dissolution only to wind up and liquidate its business affairs. Utah Code Ann. § 16-10a-1405(1). Merger is not consistent with liquidation or winding up and is not authorized by statute. Id. A dissolved company can merge only if it is reinstated before expiration of the two-year deadline;

    b. A dissolved corporation has no officers or directors to act on behalf of either the entity or the shareholders in approving a merger or the sale of stock;

    c. A dissolved corporation has no shares to offer, sell or swap. The shares of a dissolved corporation are invalid.

d. Because a dissolved corporation cannot be reinstated after the two-year period for reinstatement has expired, Flavor Brands II has no legal basis for claiming to be the successor to Flavor Brands I.

17. Flavor Brands II has never registered with the Division to offer its stock to the public.

18. Pulver and Haskins are not licensed to sell securities.

19. Sullivan aided and abetted Respondents in violating the Utah Uniform Securities Act.

## REGISTRATION VIOLATIONS

20. The stocks offered for sale by Respondents are securities under the Utah Uniform Securities Act.

21. The stocks were offered for sale or exchange in this State.

22. The stocks offered by Respondents are not registered under the Act.

23. Respondents Flavor Brands II, Pulver and Haskins offered unregistered securities in Utah in violation of Utah Code Ann. § 61-1-7 and Sullivan aided and abetted them in violating the Act.

## MISREPRESENTATIONS, OMISSIONS, FRAUDULENT PRACTICES

24. In connection with the offer of securities in this state, Respondents made misrepresentations of material facts, omitted to state material facts, and engaged in acts, practices, and courses of business that operate or would operate as a fraud or deceit on investors.

25. The material misrepresentations made by Respondents include:

a. Claims that a dissolved corporation can merge with a corporation in good standing;

b. Telling shareholders of FLVB I that their shares are valid;

c. Claims that Flavor Brands II is the successor to Flavor Brands I, f.k.a. Turkey Jerky; and

d. Telling shareholders of FLVB stock that this exchange will make Flavor Brands II a public company.

26. Respondents omitted to disclose material information to offerees and investors about the investment. The information that should have been disclosed includes:

a. That Flavor Brands I, a Utah corporation that has been dissolved for more than two years, cannot be now be reinstated as a corporate entity;

b. That Flavor Brands I, a dissolved corporation, has no stock that can be swapped; and

c. That the securities being offered and sold as Flavor Brands II were not registered, as required, and that the sellers of the securities were not licensed to sell securities in Utah, as required.

27. Respondents engaged in acts, practices, or courses of business that operate or would operate as a fraud or deceit on an investor, including:

a. The acts and practices used in the attempted deception of shareholders that Flavor Brands II is the successor to Flavor Brands I; and

b. The acts and practices used to deceive the Pink Sheets and its readers that Flavor Brands II is the successor to Flavor Brands I.

### DANGER OF IMMEDIATE HARM TO THE PUBLIC

28. Respondents have been offering securities to investors when Flavor Brands I has no valid stock to offer or swap.

29. Respondents have refused to delist the stock in the Pink Sheets when notified by the Division of their inability to be the successor to Flavor Brands I.

30. The Division believes, based on the scope of the securities offering and the continuing solicitations, that Respondents will continue to offer and sell unregistered securities in this state, by means of unlicensed agents and utilizing misleading and fraudulent statements unless his Order is issued.

## EMERGENCY ORDER

1. The Director finds and concludes that Respondents' continuing solicitation of Utah residents poses an immediate and significant danger to the public welfare because the securities offered have not been registered with the Division, and involve fraudulent conduct. Proper registration of securities is an essential safeguard serving to protect the public from securities fraud. In addition, the unlicensed entities marketing the securities

at issue in this case have unlawfully failed to subject themselves to the regulatory scrutiny of the Division.

2. In light of the foregoing and in order to prevent or avoid further danger to the public welfare, it is hereby ORDERED in accordance with Utah Code Ann. § 63-46b-20 that:

   a. Respondents, together with their employees, agents, affiliates, successors, and associated entities, shall immediately CEASE AND DESIST from offering or selling securities in this State, and from directly or indirectly aiding or assisting other individuals or entities from offering or selling securities in this State when the securities are not registered.

   b. Respondents, together with their employees, agents, affiliates, successors, and associated entities, shall immediately CEASE AND DESIST from selling securities in this State by means of misrepresentations and omissions of material fact and the use of fraudulent acts, practices and courses of business.

   c. Respondents, together with their employees, agents, affiliates, successors, and associated entities, shall immediately CEASE AND DESIST from listing on the Pink Sheets or elsewhere information about Flavor Brands I stock, an acceptance or exchange of outstanding shares, a stock swap, a merger or being a successor to Flavor Brands I.

d. Respondents, together with their employees, agents, affiliates, successors, and associated entities, shall immediately CEASE AND DESIST from any other violations of the Act.

3. Respondents are advised that, pursuant to the Utah Code Ann. § 61-1-21, any violation of this Emergency Order is punishable as a third-degree felony.

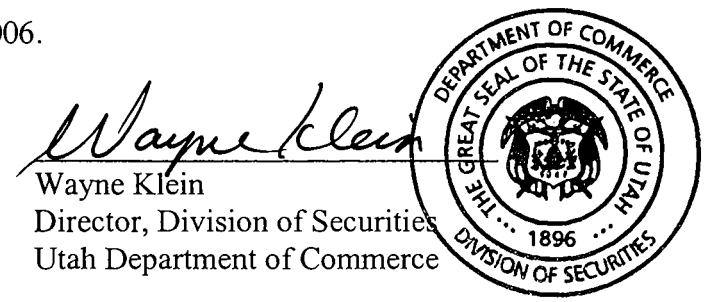
**ORDER TO SHOW CAUSE**

The Director, pursuant to Utah Code Ann. § 61-1-20, hereby orders Respondents to appear at a formal hearing to be conducted in accordance with Utah Code Ann. § 63-46b-4 and 63-46b-5, and held before the Utah Division of Securities. The hearing will occur on Monday, September 25, 2006, at 10:00 a.m., at the office of the Utah Division of Securities, located in the Heber Wells Building, 160 East 300 South, Salt Lake City, Utah 84114, telephone (801) 530-6001. The Division will be represented by Assistant Attorney General Jeff Buckner, 160 East 300 South #500, Salt Lake City, Utah 84114. Respondents may elect to be represented by counsel. If any Respondent fails to appear at the hearing, an order to cease and desist may be issued and a fine imposed by default against that Respondent, as provided by Utah Code Ann. § 63-46b-11. In lieu of default, the Division may decide to proceed with the hearing under § 63-46b-10. At the hearing, Respondents may show cause, if any they have:

1. Why Respondents should not be ordered permanently to CEASE AND DESIST from engaging in any further conduct in violation of Utah Code Ann. §§61-1-1, 61-1-3, 61-1-7 or any other section of the Act;

2. Why Respondents should not be ordered to pay a fine to the Division in the amount of $50,000 each.

**DATED** this 21st day of August, 2006.




Wayne Klein
Director, Division of Securities
Utah Department of Commerce

Approved:

JEFFREY BUCKNER
Assistant Attorney General

G. B.

Division of Securities
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**BEFORE THE DIVISION OF SECURITIES**
**OF THE DEPARTMENT OF COMMERCE**
**OF THE STATE OF UTAH**

| **IN THE MATTER OF:** | **NOTICE OF AGENCY ACTION** |
|---|---|
| **FLAVOR BRANDS, INC.,**<br>**J. D. PULVER,**<br>**TIM HASKINS, and**<br>**DENISE SULLIVAN,**<br><br>**Respondents.** | **Docket No.** SD-06-0057<br>**Docket No.** SD-06-0058<br>**Docket No.** SD-06-0059<br>**Docket No.** SD-06-0060 |

THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENTS:

The purpose of this Notice of Agency Action is to inform you that the Division hereby commences a formal adjudicative proceeding against you as of the date of the mailing of the Emergency Order to Cease and Desist, and Order to Show Cause. The authority and procedure by which this proceeding is commenced are provided by Utah Code Ann. §§ 63-46b-3, 63-46b-6 through 11, and 63-46b-20. The facts on which this action is based are set forth in the foregoing Emergency Order to Cease and Desist, and Order to Show Cause.

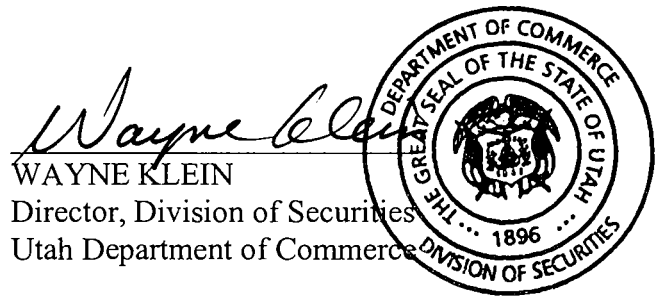
Within thirty (30) days of the mailing date of this notice, you are required to file a written response with the Division. The response you file may be helpful in clarifying, refining or narrowing the facts and violations alleged in the Emergency Order to Cease and Desist, and Order to Show Cause. A hearing date has been set for Monday, September 25, 2006, at 10:00 a.m., at the office of the Utah Division of Securities, located in the Heber Wells Building, 160 East 300 South, 2nd Floor, Salt Lake City, Utah.

If you fail to file a written response, as set forth herein, or fail to appear at the hearing, the Division of Securities may hold you in default, and a fine may be imposed against you in accordance with Utah Code Ann. § 63-46b-11, without the necessity of providing you with any further notice. In lieu of default, the Division may decide to proceed with the hearing under § 63-46b-10. At the hearing, you may appear and be heard and present evidence on your behalf. You may be represented by counsel during these proceedings.

The presiding officer in this case is Wayne Klein, Director, Division of Securities, 160 East 300 South, P.O. Box 146760, Salt Lake City, UT 84114-6760, telephone (801) 530-6600.

Your written response should be filed with the Division, attention Pam Radzinski, P.O. Box 146760, Salt Lake City, Utah 84114-6760. A copy also should be mailed to the Division's attorney, Jeff Buckner, Assistant Attorney General in the Utah Attorney General's Office, 160 East 300 South, P.O. Box 140872, Salt Lake City Utah 84114-0872, telephone (801) 366-0310. Questions regarding the Emergency Order to Cease and Desist, and Order to Show Cause, and Notice of Agency Action should be directed to Jeff Buckner.

**DATED** this 21st day of August, 2006.




WAYNE KLEIN
Director, Division of Securities
Utah Department of Commerce

## CERTIFICATE OF MAILING

I, Pam Radzinski, certify that on the 21st day of August 2006, I mailed, by certified mail, a true and correct copy of the Emergency Cease and Desist Order, and Order to Show Cause, and Notice of Agency Action to:

**Flavor Brands, Inc.**
**9050 W. Warm Springs Road, #1136**
**Las Vegas, NV** 89148

Certified Mail # 7006 0100 0001 7688 8503

**Flavor Brands, Inc.**
**9101 W. Sahara Avenue, #105-250**
**Las Vegas, NV 89117**

Certified Mail # 7006 0100 0001 7688 8510

**J. D. Pulver**
**11705 Boyette Rd., Suite 437**
**Riverview, FL 33569.**

Certified Mail # 7006 0100 0001 7688 8527

**Tim Haskins**
**924 Demet, Las Vegas**
**NV 89119**

Certified Mail # 7006 0100 0001 7688 8534

**Denise Sullivan**
**9050 Warm Springs Rd., #1136**
**Las Vegas, NV 89148**

Certified Mail # 7006 0100 0001 7688 8541

**Richard Day**
**American Registrar and Transfer Co.**
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**Salt Lake City, UT 84111**

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**Pink Sheet, LLC**
**304 Hudson Street, 2nd Floor**
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**Attorney Warren Soloski**
**11300 West Olympic Boulevard, Suite 800**
**Los Angeles, CA 90054**

Certified Mail # 7004 1350 0004 5277 8704

PAMALA RADZINSKI
Executive Secretary