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

TO: DA-VI NAILS INTERNATIONAL, L.L.C.
DAVID TRUONG
VI TRUONG CAO
5805 South State Street
Salt Lake City, UT 84107

CITATIONS
AND
DESIST AND REFRAIN ORDER
(For violations of sections 31110, 31201 and 31203 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Da-Vi Nails International, L.L.C. (“Da-Vi”) was organized in 2005, and was run by David Truong and his wife, Vi Truong Cao (collectively “Respondents”). Da-Vi was headquartered at 5805 South State Street, Salt Lake City, UT 84107.
2. During 2008 and prior, Respondents offered and sold franchise opportunities in California through direct sales and/or their website: www.davinails.com.
3. On February 25, 2009, the Commissioner issued a Desist and Refrain Order to Respondents for violations of section 31110 of the California Corporations Code (the “Order”). This Order was personally served on Respondents on March 7, 2009.
4. Respondents had an opportunity to challenge the Order by requesting a hearing on the merits; they did not do so. Consequently, the Order became final as of the date it was issued.
5. The Order stated that the Commissioner had found that Respondents violated the Franchise Investment Law, Corporations Code sections 31000 et seq. (“FIL”), by offering and selling franchises in California without first being registered or exempt under the FIL.
6. The Order also specifically stated that Respondents were not to offer or sell franchises in

1 California unless and until they became registered or exempt under the FIL.

2 7. In or about April 2009, July 2009, and October 2009, Respondents offered and sold at least
3 three additional franchises in California (the "Sales").

4 8. The Sales were made after the Order prohibiting such Sales. Respondents were not registered
5 or exempt under the FIL when these Sales were made.

6 9. In addition, Respondents did not disclose to the potential franchisees, during these offers and
7 sales, that they were specifically prohibited from offering or selling franchises in California and that
8 the Commissioner had issued a Desist and Refrain Order against them.

9 10. Based upon the foregoing findings, the California Corporations Commissioner is of the
10 opinion that Da-Vi Nails International, L.L.C., David Truong, and Vi Truong Cao sold franchises in
11 California that were subject to registration under the Franchise Investment Law without first being
12 registered, in violation of Corporations Code section 31110. Pursuant to section 31406 of the
13 Corporations Code, Da-Vi Nails International, L.L.C., David Truong, and Vi Truong Cao are hereby
14 ordered to pay citations in the amount of two thousand five hundred dollars (\$2,500) for each of the
15 three Sales in violation of 31110, for a total of seven thousand five hundred dollars (\$7,500), and to
16 desist and refrain from the further offer or sale of franchises in California unless and until the offers
17 have been duly registered under the California Franchise Investment Law.

18 11. Additionally, the California Corporations Commissioner is of the opinion that Da-Vi Nails
19 International, L.L.C., David Truong, and Vi Truong Cao engaged in the offer and sale of franchises
20 in this state by means of a written or oral communication which includes an untrue statement of a
21 material fact or omits to state a material fact necessary in order to make the statements made, in light
22 of the circumstances under which they were made, not misleading in violation of section 31201 of the
23 Corporations Code. Pursuant to section 31406 of the Corporations Code, Da-Vi Nails International,
24 L.L.C., David Truong, and Vi Truong Cao are hereby ordered to pay citations in the amount of two
25 thousand five hundred dollars (\$2,500) for each of the three Sales in violation of 31201, for a total of
26 seven thousand five hundred dollars (\$7,500), and to desist and refrain from the further offer or sale
27 of franchises in California by means of means of a written or oral communication which includes an
28 untrue statement of a material fact or omits to state a material fact necessary in order to make the

1 statements made, in light of the circumstances under which they were made, not misleading.

2 12. The California Corporations Commissioner is also of the opinion that that Da-Vi Nails
3 International, L.L.C., David Truong, and Vi Truong Cao engaged in the offer and sale of franchises
4 in this state in violation of an order of the Commissioner, a violation of section 31203 of the
5 Corporations Code. Pursuant to section 31406 of the Corporations Code, Da-Vi Nails International,
6 L.L.C., David Truong, and Vi Truong Cao are hereby ordered to pay citations in the amount of two
7 thousand five hundred dollars (\$2,500) for each of the three Sales in violation of 31203, for a total of
8 seven thousand five hundred dollars (\$7,500), and to desist and refrain from the further offer or sale
9 of franchises in California in violation of an order of the Commissioner.

10 13. The total amount of citations to be paid by Respondents within ninety (90) days of this order
11 becoming final is twenty two thousand five hundred dollars (\$22,500), for three violations each of
12 sections 31110, 31201 and 31203 of the FIL.

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

15 Dated: July 30, 2012
16 Los Angeles, California

JAN LYNN OWEN
California Corporations Commissioner

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19 By: _____
20 Alan S. Weinger
21 Deputy Commissioner
22 Enforcement Division
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