

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
DEPARTMENT OF BUSINESS REGULATION  
DIVISION OF SECURITIES  
233 RICHMOND STREET, SUITE 232  
PROVIDENCE, RI 02903-4232

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IN THE MATTER OF	:	
	:	
REGAL NAILS FRANCHISE SYSTEMS, LLC A/K/A	:	<u>CONSENT ORDER MAKING</u>
REGAL NAILS, SALON & SPA	:	<u>FINDINGS AND IMPOSING</u>
	:	<u>REMEDIAL ACTIONS</u>
	:	
Respondent.	:	

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I.

The Director ("Director") of the Rhode Island Department of Business Regulation ("Department") enters this Consent Order Making Findings and Imposing Remedial Actions ("Order") under Section 18 of the Rhode Island Franchise Investment Act (the "Act"), Section 19-28.1, et seq. of the Rhode Island General Laws, with regard to the above-referenced Respondent. The Director has determined to resolve this matter, by accepting Respondent's executed Offer of Settlement, attached hereto as Exhibit A, and entering this Order making the findings and imposing the remedial actions set forth below.

II.

On the basis of this Order and the Offer, the Director finds that:

1. Respondent Regal Nails, Salon & Spa, LLC ("Regal") is a Nevada limited liability company formed on September 30, 2005 with its principal place of business at 11456 South Choctaw Drive, Baton Rouge, Louisiana 70815.

2. It has been unlawful for any person to offer to sell or to sell any franchise in this state unless the offer of the franchise is registered with the Department or exempt therefrom under the Act.

3. Before Regal applied to the Department for registration as a franchise, it entered into two franchise agreements with residents of Rhode Island.

4. At the time of the offers and agreements, Regal was neither registered nor exempt from registration, in violation of Section 19-28.1-5 of the Act.

### III.

Based on the foregoing, the Director determines that the following sanctions are in the public interest, appropriate for the protection of franchisees and consistent with the purposes fairly intended by the policy and provisions of the Act.

Accordingly, IT IS HEREBY ORDERED that:

A. Respondent shall immediately cease and desist from violating the provisions of the Act.

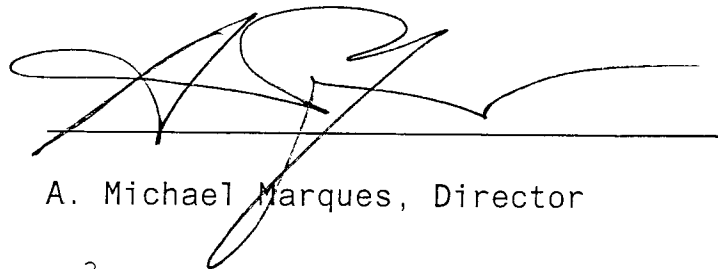
B. Respondent shall within thirty (30) days of the date of this Order, Regal shall offer rescission to the two franchisees it entered into agreements with. Respondent shall provide a copy of such offers and the franchisees responses thereto to the Department.

C. Respondent shall pay to the Department a civil penalty in the amount of Two Thousand Dollars (\$2,000) and back fees in the amount of One Thousand Dollars (\$1000.) due upon the Respondent's consent to the entry of this Consent Order.

D. Respondent subsequently applied for registration with the Department on November 24, 2006. The application has not been approved pending the resolution of this matter of unregistered activity. The application will be approved upon execution of this Order.

Dated this 22nd day of December, 2006

ORDER NO. 06-324

  
A. Michael Marques, Director

Department of Business Regulation

THIS CONSENT ORDER CONSTITUTES A FINAL ORDER OF THE DEPARTMENT OF BUSINESS REGULATION PURSUANT TO RHODE ISLAND GENERAL LAWS §42-35-1 ET SEQ. AS SUCH, THIS ORDER MAY BE APPEALED TO THE SUPERIOR COURT SITTING IN AND FOR THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE DATE OF THIS DECISION. SUCH APPEAL, IF TAKEN, MAY BE COMPLETED BY FILING A PETITION FOR REVIEW IN SAID COURT. HOWEVER, RESPONDENTS UNDERSTAND THAT BY WAIVING THEIR RIGHT TO A COMPLETE HEARING AND AGREEING TO THIS CONSENT ORDER, THE ABOVE RIGHTS ARE WAIVED AND IF ANY TERMS OF THIS CONSENT ORDER ARE VIOLATED, RESPONDENTS' ARE SUBJECT TO ANY APPLICABLE ENFORCEMENT REMEDIES UNDER THE ACT.

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