

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION – DIVISION OF SECURITIES
1511 PONTIAC AVE – BUILDING 69-1
JOHN O. PASTORE COMPLEX
CRANSTON, RI 02920

_____ :
IN THE MATTER OF :

TRISTATE ENTERPRISES, LLC :
ANTHONY E. DESIMONE, JR. :
DAVID A. CIVETTI :

Respondents. :
_____ :

ORDER SUMMARILY ISSUED TO CEASE
AND DESIST; NOTICE OF OPPORTUNITY
FOR A HEARING; AND NOTICE OF INTENT
TO IMPOSE ADMINISTRATIVE ASSESSMENT
UNDER SECTIONS 19-28.1-18, 19-28.1-19 AND
19-28.1-25

I.

Pursuant to Sections 19-28.1-18, 19-28.1-19 and 19-28.1-25 of the Rhode Island Franchise Investment Act (the "Act"), § 19-28.1 *et seq.* of the Rhode Island General Laws, as amended, the Director of the Rhode Island Department of Business Regulation ("Director") issues this Order Summarily Issued to Cease and Desist; Notice of Opportunity for a Hearing ("Notice") and Notice of Intent to Impose Administrative Assessment with regard to the above referenced Respondents. This Order is effective upon issuance.

II.

The Director makes the following findings of fact and conclusions of law with respect to this Order:

1. Upon information and belief TriState Enterprises, LLC ("Respondent TriState", the "Firm") is the fictitious name of a subsidiary of DECI, Inc. a Domestic Profit Corporation incorporated in the State of Rhode Island on April 9, 1996, with principal offices at 1270 Mineral Spring Avenue, Suite 12, North Providence, Rhode Island. The fictitious name of TriState Enterprises was filed with the Rhode Island Secretary of State on April 19, 1999.

2. Upon information and belief, Anthony E. DeSimone, Jr. (“Respondent DeSimone”) is the President of Respondent TriState.
3. Upon information and belief, David A. Civetti (“Respondent Civetti”) is the Vice-President of Respondent TriState.
4. On July 22, 2008, the Rhode Island Department of Business Regulation Securities Division (the “Division”) received information alleging that Respondent TriState was offering or selling franchises in the State of Rhode Island without benefit of registration in violation of § 19-28.1-5 of the Act.
5. Respondent TriState is not currently, nor has it ever been, registered in the State of Rhode Island as a franchise or franchisor in accordance with R.I. Gen. Laws § 19-28.1-5.
6. At all times relevant to this Order it is unlawful for any person to offer or sell a franchise unless the offer is registered under the Act, or is exempt from registration under § 19-28.1-6.
7. On August 26, 2007, the Division received a complaint in which the complainant alleged that he was a TriState franchisee and that TriState breached the franchise agreement he had entered into with them as the franchisor.
8. On October 10, 2007, in response to the Division’s investigation into the allegations made by the complainant (supra.) TriState stated that they were neither a franchise nor a franchisor, they did not currently, nor had they at any time, offer or sell a franchise in the State of Rhode Island and did not intend to in the foreseeable future. TriState provided a Business Plan and Business Investment Table in support of their business activities.
9. On April 23, 2008, based on the affirmations, assertions and supporting documentation, provided by TriState, that it was not, nor had ever been, involved in the sale of an unregistered franchise in this State, the Division concluded the investigation into the complaint alleging that violation and no further action was taken.

10. At all times relevant to this Order it has been a fraudulent, deceptive and prohibited practice in connection with the offer or sale of a franchise for a person, directly or indirectly, to:

- (1) Employ a device, scheme, or artifice to defraud;
- (2) Make an untrue statement of material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading;
- (3) Engage in an act, practice, or course of business which operates or would operate as a fraud or deceit on a person;
- (4) Represent to an offeree of a franchise that the filing of a franchise registration application or the registration of a franchise constitutes a finding by the director that a document filed under the Act is true, complete, and not misleading or that the director has passed upon the merits of the franchise;
- (5) Misrepresent that a franchise is registered or exempted from registration under this act;
- (6) Violate an order of the director after the person receives notice that the order was issued;
- (7) Fail to notify the director of a material change in the information required in a document required to be filed by this Act or a rule or order under this Act; or
- (8) Omit to state a material fact or make or cause to be made an untrue statement of a material fact in any application, notice, or report filed with the director under this act.

11. Based on the facts both stated and alleged in this Order it is the Department's contention that TriState, in its October 10, 2007, written response to the Division's investigation, engaged in a fraudulent, prohibited and deceptive practice by making an untrue statement in a report filed with the Director under this Act by unequivocally stating that the Firm never acted as a franchisor and was never engaged in the offer or sale of a franchise in this State in violation of §§ 19-28.1-17(1); 19-28.1-17(2); 19-28.1-17(3) and 19-28.1-17(8) of the Act.

III.

Based upon the foregoing, the Director determines that the following action is necessary to prevent or avoid an immediate danger to the public welfare, that it is 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:

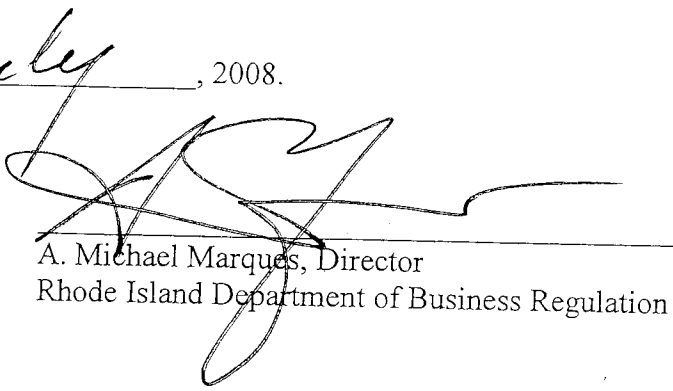
- (1) Respondents and any person associated therewith shall immediately cease and desist from any further violation of Section 19-28.1 *et seq.* of the Rhode Island General Laws.
- (2) Respondents and any person associated therewith shall retain and maintain all written and computer records regarding its business activities and the subject offers and sales until further order of the Director.

Therefore, unless the Director receives a written request for a hearing and answer to this Notice within thirty (30) days of the date of this Notice, the Director will regard Respondents as having been provided notice and an opportunity for hearing, and as having waived the right to a hearing, and the Order will become final. If the Director receives a request for a hearing within thirty (30) days of the date of this Notice, the Director shall set the matter for hearing no more than thirty (30) from the receipt of the request for hearing and shall promptly notify the parties of the time and place for hearing. If no hearing is requested, or if the person defaults after requesting a hearing, the Order becomes a Final Order and remains in effect unless vacated or modified by the Director.

Pursuant to § 19-28.1-18(d), if the Director reasonably believes that a violation of the Act has occurred, the Director may (after such further notice and hearing in an administrative proceeding unless the right to notice and hearing is waived by a person against whom the sanction is imposed), impose an administrative assessment not to exceed five thousand (\$5,000) for each act that constitutes a basis for issuing the Order, in addition to any other specific powers granted under Rhode Island General Laws §§ 19-28.1 *et seq.*.

Dated this 24th day of July, 2008.

Order No. 08-127



A. Michael Marques, Director
Rhode Island Department of Business Regulation

THE DIRECTOR RESERVES THE RIGHT TO PUBLISH A NOTICE OF THIS ORDER IN A NEWSPAPER OF GENERAL CIRCULATION IN THE STATE OF RHODE ISLAND.

CERTIFICATION

I hereby certify on this 24th day of July 2008 that a copy of the within Order Summarily Issued to Cease and Desist; Notice of Opportunity for a Hearing; and Notice of Intent to Impose Administrative Assessment Under Sections 19-28.1-18; 19-28.1-19 AND 19-28.1-25 was mailed by certified mail and first class mail to:

Mr. Anthony DeSimone, Jr.
TriState Enterprises
Suite 12
1270 Mineral Spring Avenue
North Providence R I 02904

Mr. David A. Civetti
TriState Enterprises
Suite 12
1270 Mineral Spring Avenue
North Providence R I 02904

Mr. Anthony DeSimone, Jr.
TriState Enterprises
436 Atwells Avenue
Providence, RI 02909

Mr. David A. Civetti
TriState Enterprises
436 Atwells Avenue
Providence, RI 02909

Antoinette Budano

I hereby certify on this 24th day of July 2008 that a copy of the within Order Summarily Issued to Cease and Desist; Notice of Opportunity for a Hearing; and Notice of Intent to Impose Administrative Assessment Under Sections 19-28.1-18; 19-28.1-19 AND 19-28.1-25 was mailed by first class mail to:

Mr. Anthony DeSimone, Jr.
TriState Enterprises
P.O. Box 41539
Providence, RI 02940-1539

Mr. David A. Civetti
TriState Enterprises
P.O. Box 41539
Providence, RI 02940-1539

Antoinette Budano