

**PEOPLE OF THE STATE OF NEW YORK  
OFFICE OF THE ATTORNEY GENERAL  
LABOR BUREAU**

---

**IN THE MATTER OF THE  
INVESTIGATION OF LETITIA JAMES,  
ATTORNEY GENERAL OF THE STATE OF  
NEW YORK,**

**OF**

**ASSURANCE OF  
DISCONTINUANCE  
PURSUANT TO  
EXECUTIVE LAW § 63(15)**

**AOD No. 23-028**

**Anh Diep Do, ENVY NAILS GROUP also known  
as 1 East Nails Inc., 116 Nails Inc., 146 Salon Inc.,  
148 Salon Inc., 149 Nails Inc., 152 & 3 Nails, Inc.,  
163 Salon Inc., 169-19 Nails Inc., 243 Willis Nails  
Inc., 305 Nails Inc., 81 Salon Inc., 1493 Saint  
Nicholas Inc., 308 Nails Inc., 2138 Nails Inc., 4263  
Nails Inc., Burnside Nails Inc., Crazy Nails on 82  
Inc., East 164 Nails Inc., Fifth Ave Nails Inc.,  
Jamaica 162 Inc., Jamaica 170 Inc., Nails 181 Inc.,  
Rainbow 165 Inc., West 35 Nails Inc., and  
Webster Fordham 387 Inc.**

---

**RESPONDENTS**

---

**ASSURANCE OF DISCONTINUANCE**

In 2018, the Office of Attorney General of the State of New York (“Attorney General”) commenced an investigation (the “Investigation”) of multiple nail salon establishments doing business under the name of Envy Nails, located in Manhattan, the Bronx, and Queens. All of the Envy Nails locations and corporate entities were either owned, controlled, managed and/or operated by Anh Diep Do. Those corporate entities include: 1 East Nails Inc., 116 Nails Inc., 146 Salon Inc., 148 Salon Inc., 149 Nails Inc., 152 & 3 Nails, Inc., 163 Salon Inc., 169-19 Nails Inc., 243 Willis Nails Inc., 305 Nails Inc., 81 Salon Inc., 1493 Saint Nicholas Inc., 308 Nails Inc., 2138 Nails Inc., 4263 Nails Inc., Burnside Nails Inc., Crazy Nails on 82 Inc., East 164 Nails Inc., Fifth Ave Nails Inc., Jamaica 162 Inc., Jamaica 170 Inc., Nails 181 Inc., Rainbow 165 Inc., West 35 Nails Inc., and Webster Fordham 387 Inc. These entities and Anh Diep Do are hereinafter referred to collectively as “Envy Nails Group” or “Respondents”.

The Attorney General examined whether Envy Nails Group failed to pay its employees required minimum wages and overtime wages in violation of Article 6 (regarding payment of wages) and Article 19 (Minimum Wage Act) of the New York Labor Law and the New York Codes, Rules, and Regulations (“N.Y.C.R.R.”), Title 12, Chapter II, Subchapter B, Part 142 (“Miscellaneous Wage Order”).

This Assurance of Discontinuance (“Assurance”) contains the Attorney General’s Findings in connection with the Investigation and the relief agreed to by the Attorney General and Envy Nails Group (collectively, the “parties”).

### **RELEVANT STATUTORY FRAMEWORK**

1. The New York Labor Law requires that employers pay covered employees the minimum wage, and one-and-one-half times an employee’s regular rate for hours worked over forty in a week. NYLL § 652; 12 N.Y.C.R.R. § 142. The NYLL requires that employers pay workers all wages for all hours worked on a weekly basis. NYLL § 191(1)(a).

2. Employers are required to pay covered employees one hour’s pay at the basic minimum hourly wage rate for any day in which the spread of hours exceeds 10 hours. The spread of hours is the interval between the beginning and end of an employee’s workday and includes working time plus time off for meals plus intervals off-duty. 12 N.Y.C.R.R. § 142.

3. New York Labor Law requires employers to keep accurate records of the hours worked each workday and each workweek by each of their employees who are entitled by State law to receive overtime payments as well as to create and maintain contemporaneous and accurate payroll records for six years showing each employee’s regular and overtime rates, deductions, allowances, daily and weekly hours worked, and gross and net wages paid. Employers are also

required to provide those employees statements with every payment of wages accurately listing the hours the employees worked, gross payments, deductions, allowances and net payments. NYLL §§ 195(1), 195(3), 195(4), 661; 12 N.Y.C.R.R. § 142.

4. Employers are also required to provide to employees and maintain certain notices regarding the payment of wages, including pay rate notices that list any claimed allowances or credits, in order to deduct those credits from any required wages. New York Labor Law § 195(1)(a), (3) (requiring wage statements which must list allowances), § 195(4) (records must be maintained for six years including records of allowances); 12 N.Y.C.R.R. § 142.

## **FINDINGS**

### **Introduction and Background**

5. The Envy Nails Group consisting of approximately twenty-five (25) nail salons in the New York City area, is either owned, managed, controlled, and/or operated by Anh Dicp Do. Each location has its own corporate entity name and is a registered domestic business corporation. A list of all of the corporate entities is attached hereto as Appendix A.

6. The Envy Nails Group locations included Nails 181 Inc., East 164 Nails Inc., 1493 Saint Nicholas Inc., 2138 Nails Inc., West 35 Nails Inc., 4263 Nails Inc., and Fifth Ave Nails Inc., in Manhattan, 1 East Nails Inc., 116 Nails Inc., 146 Salon Inc., 148 Salon Inc., 149 Nails Inc., 152 & 3 Nails, Inc., 163 Salon Inc., 243 Willis Nails Inc., 305 Nails Inc., 308 Nails Inc., Burnside Nails Inc., Webster Fordham 387 Inc., in the Bronx, and 81 Salon Inc., 169-19 Nails Inc., Crazy Nails on 82 Inc., Jamaica 162 Inc., Jamaica 170 Inc., and Rainbow 165 Inc., in Queens. The locations that are open and operating at the time of the execution of this Agreement are 148 Salon Inc., 305 Nails Inc., Crazy Nails on 82 Inc., East 164 Nails Inc., 243 Willis Ave Nails, 149 Nails Inc., 152

& 3 Nails Inc., Webster Fordham 387 Inc., and Jamaica 170 Inc. The other Envy locations are no longer in business.

**Practices Related to Payment of Wages**

7. The Attorney General began investigating the Envy Nails Group in 2018, interviewing witnesses and gathering and analyzing documents from various sources. The Investigation revealed that, from at least January 1, 2015 until December 31, 2021, the Envy Nails Group failed to pay many of its employees minimum wage and the required overtime rate for all hours worked over forty in a workweek.

8. The investigation also revealed numerous deficiencies in the official business licenses, wage statements, and corporate entities utilized by Envy Nails Group. Envy Nails Group failed to keep contemporaneous and consistent payroll records for its employees at all of its locations. Many workers were not given any wage statements at all as required by New York Labor Law.

9. The Attorney General also found instances of improper and incorrect information on Respondents' business documents required to be filed with New York State. Envy Nails Group improperly obtained several nail salon licenses from New York Department of State, and several corporate entities, operated by Respondents, contained incorrect information related to the owners and officers of those corporate entities. Anh Diep Do is and has been either the true, beneficial owner, manager, controller, and/or operator of all of the Envy Nails Group entities.

10. Based on the foregoing, the Attorney General has concluded that the Envy Nails Group, managed by Anh Diep Do, engaged in persistent and repeated activity in violation of

Executive Law § 63(12), the New York Labor Law and implementing regulations, including the Miscellaneous Wage Order.

11. Envy Nails Group and Anh Diep Do admit the Findings of the Attorney General set forth in paragraphs 5 through 10 herein.

12. The Attorney General finds the relief and agreements contained in this Assurance appropriate and in the public interest. Therefore, the Attorney General is willing to accept this Assurance pursuant to Executive Law § 63(15), in lieu of commencing a statutory proceeding for violations Executive Law § 63(12) and 12 N.Y.C.R.R. § 142, based on the conduct described above, which occurred between January 1, 2015 through December 31, 2021.

IT IS HEREBY UNDERSTOOD AND AGREED, by and between the parties:

### **RELIEF**

#### **Compliance with Wage and Hour Law and Other Laws Governing Employment Practices**

13. Anh Diep Do and Envy Nails Group hereby acknowledge that they understand and will comply with all applicable federal, state and local laws, including but not limited to the Fair Labor Standards Act, New York State Labor Law, and the Miscellaneous Wage Order. Anh Diep Do and Envy Nails Group agree and acknowledge that any violation of such laws is a violation of the Assurance, and that the Attorney General thereafter may commence the civil action or proceeding contemplated herein, in addition to any other appropriate investigation, action, or proceeding.

**Retaliation**

14. Anh Diep Do and Envy Nails Group agree that they will comply with New York Labor Law § 215 and will not in any manner discriminate or retaliate against any of their employees, including but not limited to current or former employees who cooperated with or are perceived to have cooperated with the Attorney General's Investigation. Anh Diep Do and Envy Nails Group agree not to discharge, refuse to hire, or take any adverse action against any of these employees except for legitimate, non-discriminatory reasons unrelated to the Attorney General's Investigation or to any past, present or future participation in any activities involving the exercise of their legal rights under the New York State Labor Law and New York Codes, Rules, and Regulations.

**Posting**

15. Anh Diep Do and Envy Nails Group agree to post all notices for employees as required by law, including those setting forth employee rights with respect to wage and hour laws and the right to be free from retaliation.

**Recordkeeping**

16. Anh Diep Do and Envy Nails Group agree to comply in the future with the six years recordkeeping requirements as set forth in New York Labor Law and 12 N.Y.C.R.R. Part 142.

17. Anh Diep Do and Envy Nails Group further agree to maintain for six years: (a) all documents employees must review and/or complete in order to be employed, including but not limited to required notices, employee manuals and acknowledgements of receipt thereof; (b) documents created by Anh Diep Do and Envy Nails Group related to employment practices, including but not limited to payroll records, revenue and expense reports, time records, weekly schedules, records of reimbursed employee expenses, records of distributed gratuities, notices

provided to employees regarding paid sick leave, records showing accrual and use of paid sick leave, tax documents, including but not limited to New York State Department of Taxation and Finance NYS-45 Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Returns, and proof of purchase of workers' compensation and disability insurance for all employees; and (c) information records concerning employee complaints regarding pay practices, including but not limited to a complaint log and any underlying documents relating to the complaint log.

**Monetary Payment**

18. Respondents agree to pay a total of \$300,000 (the "Settlement Funds") in resolution of the Attorney General's investigation. This amount shall be paid directly to the Attorney General and will be used for distribution as restitution to current and former employees.

- a. \$300,000.00 of the Settlement Funds must be paid within 20 days of the execution of this AOD.

19. The payment may be in the form of a wire transfer and in accordance with wiring instructions to be provided by the Attorney General prior to the required date of payment. In the alternative, payment may be made by attorney check, certified check, or bank draft, which shall be made payable to the "The New York State Department of Law"; payment shall be addressed or delivered to the attention of:

New York State Office of the Attorney General  
28 Liberty Street, 15<sup>th</sup> Floor  
New York, New York, 10005  
Attn: Berenice Peck, Labor Bureau

20. The payment and all correspondence related to this Assurance must reference "Assurance #23-028."

21. The Attorney General has the sole discretion to determine which employees shall be eligible for restitution and damages and to determine the amount of such restitution and damages. The Attorney General will provide Respondents with an accounting of all amounts issued to payees.

## MISCELLANEOUS

### **Subsequent Proceedings:**

22. The Office of the Attorney General will not prosecute Envy Nails Group or Anh Diep Do for any crimes arising under the New York State Labor or Penal Laws that could be charged in connection with the improper payment of wages, New York State Unemployment Insurance Contributions or Workers Compensation Insurance by Envy Nails Group between January 1, 2016 and December 31, 2021. The agreement not to prosecute in this paragraph is limited to the New York State Office of the Attorney General and cannot bind other government agencies.

23. The terms of this Assurance do not and are not intended to conflict in any way with a separate plea agreement executed by Anh Diep Do on behalf of Nails 181, Inc. with the OAG regarding the underpayment of New York City sales tax between September 1, 2015 through November 30, 2018, which will be resolved with a criminal plea in New York County Supreme Court, Criminal Term by Nails 181, Inc. to Grand Larceny in the Third Degree, under Penal Law Section 155.35(1), with a promised sentence of a three-year conditional discharge and a confession of judgment for unpaid sales tax, interest and penalties for twenty-two entities enumerated therein, totaling \$278,521.31.

24. Respondent expressly agrees and acknowledges that the OAG may initiate a subsequent investigation, civil action, or proceeding to enforce this Assurance, for violations of



the Assurance, or if the Assurance is voided pursuant to paragraph 41, and agrees and acknowledges that in such event:

- a. any statute of limitations or other time-related defenses relating to the subject matter of this Assurance are tolled from and after the effective date of this Assurance;
- b. the OAG may use statements, documents or other materials produced or provided by the Respondents prior to or after the effective date of this Assurance;
- c. any civil action or proceeding must be adjudicated by the courts of the State of New York, and that Respondents irrevocably and unconditionally waive any objection based upon personal jurisdiction, inconvenient forum, or venue.
- d. evidence of a violation of this Assurance shall constitute prima facie proof of a violation of the applicable law pursuant to Executive Law § 63(15).

25. If a court of competent jurisdiction determines that the Respondents have violated the Assurance, the Respondents shall pay to the OAG the reasonable cost, if any, of obtaining such determination and of enforcing this Assurance, including without limitation legal fees, expenses, and court costs.

**Effects of Assurance:**

26. This Assurance is not intended for use by any third party in any other proceeding.

27. All terms and conditions of this Assurance shall continue in full force and effect on any successor, assignee, or transferee of the Respondents. Respondents shall include any such successor, assignment or transfer agreement a provision that binds the successor, assignee or transferee to the terms of the Assurance. No party may assign, delegate, or otherwise transfer any of its rights or obligations under this Assurance without the prior written consent of the OAG.

28. Nothing contained herein shall be construed as to deprive any person of any private right under the law.

29. Any failure by the OAG to insist upon the strict performance by Respondents of any of the provisions of this Assurance shall not be deemed a waiver of any of the provisions hereof, and the OAG, notwithstanding that failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Assurance to be performed by the Respondent.

**Compliance and Monitoring**

30. The Respondents will provide to the Attorney General proof of their compliance with New York State Labor Law, New York State Unemployment Insurance, and New York Workers Compensation Insurance.

- a. On January 31, 2024, Respondents will send:
  - i. copies of Respondents' filed 2023 (all quarters) NYS-45s
  - ii. copies of Respondents' 2023 payroll including all relevant information
  - iii. copies of Respondents' 2023 employee schedules
- b. On January 31, 2025, Respondents will send:
  - i. copies of Respondents' filed 2024 (all quarters) NYS-45s
  - ii. copies of Respondents' 2024 payroll including all relevant information
  - iii. copies of Respondents' 2024 employee schedules
- c. January 31, 2026, Respondents will send:
  - i. copies of Respondents' filed 2025 (all quarters) NYS-45s
  - ii. copies of Respondents' 2025 payroll including all relevant information
  - iii. copies of Respondents' 2025 employee schedules

31. The Respondents will voluntarily dissolve any and all of the Envy Nails Group corporate entities which are no longer operating or in business within 60 days of signing this AOD.

32. For any of the Envy Nails Group corporate entities that remain operating, within 60 days of signing this AOD, Anh Diep Do will file appropriate documents with the New York State Department of State, correctly identifying Anh Diep Do as the correct owner and chief officer of those entities.

33. The Respondents will relinquish all Nail Salon Licenses for any and all of the Envy Nails Group corporate entities which are no longer operating or in business, within 60 days of signing this AOD.

34. For any of the Envy Nails Group corporate entities that remain operating, within 60 days of signing this AOD, Anh Diep Do will file appropriate documents with the New York State Department of State, correctly identifying Anh Diep Do as the correct signatory for all Nail Salon licenses.

#### **Representations and Warranties**

35. The Attorney General has agreed to the terms of this Assurance based on, among other things, the representations made to the Attorney General by Anh Diep Do and Envy Nails Group and its counsel and the Attorney General's own factual investigation as set forth herein. Envy Nails Group represents and warrants that neither it nor its counsel has made any material representations to the Attorney General that are inaccurate or misleading. If any material representations by Anh Diep Do and Envy Nails Group or its counsel are later found to be inaccurate or misleading, this Assurance is voidable by the Attorney General in its sole discretion.

36. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Assurance has been made to or relied upon by Anh Diep Do and Envy Nails Group in agreeing to this Assurance.

37. Anh Diep Do and Envy Nails Group represents and warrants, through the signature below, that the terms and conditions of this Assurance are duly approved, and execution of this Assurance is duly authorized.

**General Principles**

38. Nothing in this Agreement shall relieve Anh Diep Do and Envy Nails Group of other obligations imposed by any applicable state or federal law or regulation or other applicable law.

39. Nothing contained herein shall be construed to limit the remedies available to the Attorney General in the event that Anh Diep Do and Envy Nails Group violates the Assurance after the date of execution.

40. This Assurance may not be amended except by an instrument in writing signed on behalf of the parties to this Assurance.

41. In the event that any one or more of the provisions contained in this Assurance shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, in the sole discretion of the Attorney General, such invalidity, illegality, or unenforceability shall not affect any other provision of this Assurance.

42. Anh Diep Do and Envy Nails Group acknowledge that they have entered this Assurance freely and voluntarily and upon due deliberation and with the advice of counsel.

43. This Assurance shall be governed by the laws of the State of New York without regard to any conflict of laws principles.

44. The Assurance and all its terms shall be construed as if mutually drafted with no presumption of any type against any party that may be found to have been the drafter.

45. All notices, reports, requests, and other communications to any party pursuant to this Assurance shall be in writing and shall be directed as follows:

From Anh Diep Do or Envy Nails Group to the Attorney General:

New York State Office of the Attorney General, Berenice Peck, Labor Bureau, 28 Liberty Street, Fl. 15 New York, NY 10005, or [Berenice.Peck@ag.ny.gov](mailto:Berenice.Peck@ag.ny.gov).

From the Attorney General to Anh Diep Do or Envy Nails Group:

Michael Farkas, Esq., 32 Court Street, Suite 408, Brooklyn, NY 11201

Any changes in the person to whom communications should be specifically directed shall be made in writing in advance of the change.

46. This Assurance may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

IN WITNESS WHEREOF, this AOD is executed by the parties hereto as follows.

**LETITIA JAMES**

Attorney General of the State of New York

By: 

**Jeremy Pfetsch**

Assistant Attorney General

Labor Bureau

28 Liberty Street

New York, New York 10005

Phone: (212) 416-8662

Dated 07, 6, 2023

**ENVY NAILS GROUP**

By: 

**Anh Diep Do**

Individually and as President,

Envy Nails Group

Dated: 06, 29, 2023

STATE OF NEW YORK )

)

ss.:

COUNTY OF NEW YORK )

On this 29th day of June, 2023, Anh Diep Do, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, appeared before the undersigned and acknowledged to me that he executed the within instrument by his signature on the instrument.

Sworn to before me this  
29th day of June, 2023



**NOTARY PUBLIC**

Michael C. Farkas

Notary #02FA5040037

Qualified in Kings County

Commission expires 03/2027

AOD #23-028

By: \_\_\_\_\_

**Anh Diep Do**

Individually and as CEO,  
Envy Nails Group, Inc.,

ADDRESS

Dated: 06, 29, 2023

