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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

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IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Franchise Investment Protection Act of
Washington by:

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Eight USA, Inc., dba Match Café Maiko,

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Respondent.

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Order No. S-19-2813-20-CO01

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CONSENT ORDER

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Pursuant to the Franchise Investment Protection Act of Washington, Chapter 19.100 RCW, the Securities Division and Respondent Eight USA, Inc., dba Matcha Café Maiko, do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondent Eight USA, Inc., dba Matcha Café Maiko, neither admits nor denies the Findings of Fact or Conclusions of Law as stated below.

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FINDINGS OF FACT

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Respondent

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1. Eight USA, Inc., dba Matcha Café Maiko, (Eight USA) is a Hawaii corporation that was formed on June 10, 2019. Its principal place of business is Honolulu, Hawaii. Eight USA is in the business of operating a café that sells Japanese green tea products under the tradename Matcha Café Maiko, and in offering and selling Matcha Café Maiko franchises. Eight USA has been engaged in this business since July 8, 2019, when Eight USA purchased the Matcha Café Maiko business from its previous owner.

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Related Party

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2. Exeo USA, Inc. is a Hawaii corporation that was formed on July 19, 2011. Its principal place of business is Honolulu, Hawaii. Until it sold the Matcha Café Maiko business on July 8, 2019, Exeo USA, Inc. was in the business of operating a café under the tradename Matcha Café Maiko, and in offering and selling Matcha Café Maiko franchises. On September 27, 2018 and June 24, 2019, Exeo USA, Inc. sold

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CONSENT ORDER

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

1 franchises to a Washington resident. Exeo USA, Inc. was not registered with the Securities Division to offer
2 or sell its franchises in the state of Washington.

3 **Nature of the Conduct**

4 3. Since at least July 8, 2019, Eight USA has been offering Matcha Café Maiko franchises on its
5 website at matchacafe-maiko.com/eng/franchise. Eight USA offers the franchises nationwide, including to
6 residents of Washington State. At least one Washington resident has responded to Eight USA's franchise
7 offer.

8 4. Effective July 31, 2019, Eight USA assumed the license agreements for the Washington
9 franchisee from Exeo USA, Inc. In the agreement, Eight USA granted a license to the franchisee to use the
10 Matcha Café Maiko trademark and other intellectual property in the operation of the franchisee's restaurant.
11 The license also allowed the franchisee to sell merchandise bearing the Matcha Café Maiko logo at the
12 franchisee's restaurant if the merchandise was first approved by Eight USA.

13 5. The fee for a Matcha Café Maiko franchise is \$100,000 for a five year contract, but the price
14 is negotiable. In November 2019, Eight USA told a prospective Washington franchisee that the fee was, at
15 that time, reduced to \$50,000. There is also a monthly royalty fee of \$500.

16 6. Matcha Café Maiko franchise locations are advertised on Eight USA's website at [matchacafe-](http://matchacafe-maiko.com/eng/store)
17 maiko.com/eng/store. Until at least February 2020, Eight USA guaranteed its franchisees exclusive territories
18 by restricting its sale of franchises to one owner per city.

19 7. The franchise fee includes the franchisee's use of the Matcha Café Maiko trademark, Matcha
20 Café Maiko products and recipes, and training. In the agreement, the franchisee agreed to operate the franchise
21 consistent with the training that was provided. The franchisee also agreed to not make any changes to his
22 menu without Eight USA's prior approval.

23
CONSENT ORDER

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1 **Registration Status**

2 8. Respondent Eight USA, Inc. is not currently registered to offer or sell its franchises in the state
3 of Washington and has not previously been so registered. There is no notification of exemption on file with
4 the state of Washington.

5 9. Eight USA, Inc. is beginning the process to register its franchise with the Securities Division
6 and modify its franchise agreement with the Washington franchisee. Eight USA, Inc. plans to file a franchise
7 registration application with the Securities Division within three months of the entry of this Consent Order.

8 Based upon the above Findings of Fact, the following Conclusions of Law are made:

9 **CONCLUSIONS OF LAW**

10 1. The offer or sale of franchises as described above constitutes the offer or sale of a franchise as
11 defined in RCW 19.100.010(6), RCW 19.100.010(12), and RCW 19.100.010(17).

12 2. The offer or sale of said franchises was in violation of RCW 19.100.020 because no registration
13 for such offer or sale is on file with the Washington Securities Administrator.

14 **CONSENT ORDER**

15 Based upon the foregoing and finding it in the public interest:

16 IT IS AGREED AND ORDERED that Respondent Eight USA Inc., dba Match Café Maiko, its agents
17 and employees, shall each cease and desist from offering or selling franchises in violation of RCW 19.100.020,
18 the registration section of the Franchise Investment Protection Act of the state of Washington.

19 IT IS FURTHER AGREED AND ORDERED that Respondent Eight USA, Inc., dba Matcha Café
20 Maiko, shall be liable for and shall pay investigative costs of \$750 prior to the entry of this Consent Order.

21 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.
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IT IS FURTHER AGREED that Respondent Eight USA Inc., dba Matcha Café Maiko, enters into this Consent Order freely and voluntarily and with a full understanding of its terms and significance.

IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Eight USA, Inc., dba Matcha Café Maiko, waives its right to a hearing and to judicial review of this matter.

Signed this 12th day of June, 2020

Signed by:
Eight USA, Inc.

Approved as to form by:

/s/

/s/

Name: Hideyuki Hashimoto
Title: President

Naoko Inoue Shatz, Attorney for Respondent
WSBA No. 33175

SIGNED and ENTERED this 7th day of July, 2020



William M. Beatty
Securities Administrator

Approved by:

Presented by:



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Suzanne Sarason
Chief of Enforcement

Holly Mack-Kretzler
Financial Legal Examiner

Reviewed by:



Brian Guerard
Financial Legal Examiner Supervisor