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

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

Inkism International Co., Ltd. f.k.a. DanyYe
International Co., Ltd., d.b.a. Yi Fang Taiwan
Fruit Tea,

Respondent

Order No. S-21-3087-21-CO01

CONSENT ORDER

10 Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities
11 Division and Inkism International Co., Ltd., f.k.a. DanyYe International Co., Ltd., and d.b.a. Yi Fang Taiwan
12 Fruit Tea, do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondent
13 Inkism International Co., Ltd. neither admits nor denies the Findings of Fact or Conclusions of Law as stated
14 below.

FINDINGS OF FACT

Respondent

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17 1. Inkism International Co. Ltd. (“International”) is a Taiwan limited company (formerly named
18 “DanYe International Co., Ltd.”) that does business as Yi Fang Taiwan Fruit Tea. International is in the
19 business of offering master franchise agreements for Yi Fang Taiwan Fruit Tea franchise retail stores.

Nature of the Offering

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21 2. In 2018, International offered and sold a master franchise to three individuals, two Chinese
22 citizens and a Washington resident. One of the Chinese individuals negotiated and signed the master franchise
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1 agreement on behalf of the others. The individuals formed Yifangwa to act as the master franchisor or
2 subfranchisor that would offer Yi Fang Taiwan Fruit Tea franchises in the state of Washington.

3 3. International provided Yifangwa a master franchise agreement that allowed Yifangwa to
4 operate its own direct sales stores or to offer franchise locations in a designated territory.

5 4. International granted Yifangwa the right to its trade and service marks.

6 5. International provided Yifangwa with consulting guidance and its operation management
7 systems.

8 6. International collected from Yifangwa an initial licensing fee of \$177,000 and required royalty
9 payments in the amount of a 1% royalty on gross sales.

10 7. International provided Yifangwa with training, operational and marketing assistance.

11 **Violations**

12 8. Respondent International did not provide Yifangwa a Franchise Disclosure Document
13 (“FDD”) until 2019. An FDD is a document specified under state and federal law to be given to prospective
14 franchise purchasers and contains material information for use by them to weigh the risks and benefits of the
15 investment.

16 9. Respondent International failed to provide Yifangwa with material information such as state
17 registration requirements for subfranchisors and state and federal disclosure requirements for the offer and
18 sale of franchises.

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

20 **CONCLUSIONS OF LAW**

21 1. The offer or sale of the Inkism master franchise agreement described above constitutes the
22 offer and/or sale of a franchise as defined in RCW 19.100.010(6), RCW 19.100.010(12), and RCW
23 19.100.010(17).

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William M. Beatty
Securities Administrator

Approved by:



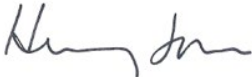
Brian J. Guerard
Chief of Enforcement

Presented by:



Martin Cordell
Financial Legal Examiner

Reviewed by:



Huong Lam
Financial Legal Examiner Supervisor