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

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

FINDINGS OF FACT

Respondent

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

Nature of the Offering

2. In 2018, International offered and sold a master franchise to three individuals, two Chinese citizens and a Washington resident. One of the Chinese individuals negotiated and signed the master franchise

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CONSENT ORDER

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	e 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 u	pon 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 s	ale of a franchise as defined in RCW 19.100.010(6), RCW 19.100.010(12), and RCW
23	19.100.010(17).	
	CONSENT ORDEF	R DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033

1	2. The offer and/or sale of said franchise was in violation of RCW 19.100.170, the violations		
2	section of the Franchise Investment Protection Act, because Respondent International failed to provide		
3	prospective purchasers with material facts regarding the franchise.		
4	CONSENT ORDER		
5	Based upon the foregoing and finding it in the public interest:		
6	IT IS AGREED AND ORDERED that Respondent shall cease and desist from violations of RCW		
7	19.100.170, the Violations section of the Franchise Investment Protection Act of the state of Washington.		
8	IT IS FURTHER AGREED that Respondent shall be liable for and shall pay investigative costs of		
9	\$7,500 prior to the entry of this Consent Order.		
10	IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.		
11	IT IS FURTHER AGREED that Respondent enters into this Consent Order freely and voluntarily and		
12	with a full understanding of its terms and significance.		
13	IT IS FURTHER AGREED that in consideration of the foregoing, Respondent waives its right		
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15	to a hearing and to judicial review of this matter		
16	Signed this <u>2nd</u> day of <u>June</u> , 2022.		
17	Signed by:/s/		
18	Ko Tzu Kai, President, for Inkism International Co. Ltd		
19	Signed and Entered this <u>12th</u> day of <u>July</u> , 2022 by		
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23			
	CONSENT ORDER DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033		

360-902-8760

- HSeats

William M. Beatty Securities Administrator

Presented by:

Martin Condell

Martin Cordell Financial Legal Examiner

Approved by:

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Brian J. Guerard Chief of Enforcement

Reviewed by:

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Huong Lam Financial Legal Examiner Supervisor

CONSENT ORDER