

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, JANUARY 24, 2022

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2021-00021

EIGHT USA INC.,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Eight USA Inc. ("Eight USA" or "Defendant") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq.* of the Code of Virginia ("Code").

Eight USA offers and sells Matcha Café Maiko franchises. Matcha Café Maiko offers a variety of matcha-infused desserts and drinks including matcha soft serve ice cream. The Defendant's home office is located in Honolulu, Hawaii.

The Division alleges that, by virtue of Defendant's purchase of substantially all of the assets of EXEO USA Inc., which offered and sold three (3) unregistered franchises to be operated in the Commonwealth of Virginia to three (3) Virginia residents ("Virginia Franchisees"), Eight USA also offered and sold three (3) unregistered franchises to be operated in Virginia to three (3) Virginia Franchisees. Further, the Division alleges that by virtue of said purchase of substantially all of the assets of EXEO USA, Inc., which failed to provide the Virginia Franchisees with a franchise disclosure document ("FDD"), Eight USA failed to provide the Virginia Franchisees with an FDD as required under the Act. Based on the investigation, the Division alleges that the Defendant violated § 13.1-560 of the Act by offering to sell and selling

three franchises in Virginia without those franchises being registered under the provisions of the Act. The Division further alleges that the Defendant violated § 13.1-563 (4) (ii) of the Act by failing to provide the Virginia Franchisees with an FDD approved by the Division in conjunction with the offer and sale of the franchises, as required.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-562 of the Act to revoke a defendant's registration, by § 13.1-568 of the Act to issue temporary and permanent injunctions, by § 13.1-570 of the Act to impose certain civil penalties and to request that a defendant make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations made herein but admits to the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Division wherein the Defendant will abide by and comply with the following terms:

1. The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Six Thousand Five Hundred Dollars (\$6,500) in civil penalties.
2. The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Five Hundred Dollars (\$500) to defray the costs of investigation.
3. The Defendant will not violate the Act in the future.

The Division has accepted the Defendant's offer of settlement and recommended that the Commission accept the settlement.

NOW THE COMMISSION, having considered this matter, is of the opinion that the settlement should be, and is hereby, accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The settlement of the matter set forth herein is hereby accepted.
- (2) The Defendant shall fully comply with the aforesaid terms of this settlement.
- (3) This case is dismissed.

A COPY hereof shall be sent by the Clerk of the Commission by electronic mail to: Go R. Kobayashi, Esquire, Go Law Office LLC, at go@golaw-hi.com, 1441 Kapiolani Boulevard, Suite 910, Honolulu, Hawaii 96814; and a copy shall be delivered to the Commission's Office of General Counsel and Division of Securities and Retail Franchising.

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COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2021-00021

EIGHT USA INC.,
Defendant

ADMISSION AND CONSENT

Eight USA Inc. ("Defendant") admits to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof and, without admitting nor denying the allegations made herein by the Division of Securities and Retail Franchising, hereby consents to the form, substance and entry of the foregoing Settlement Order ("Order").

The Defendant further state that no offer, tender, threat or promise of any kind whatsoever has been made by the Commission or any member, subordinate, employee, agent or representative thereof in consideration of the foregoing Order.

Eight USA Inc.

Date: November 16, 2021

By: Hideyuki Hashimoto
Its: President