

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING)
 whether there has been a violation of the) Order No. S-15-1805-15-CO01
 Franchise Investment Protection Act of)
 Washington by:) **CONSENT ORDER**
)
 Daekyo America, Inc. d.b.a. Eye Level)
 Learning Centers and E.Nopi Learning)
 Centers)
 Respondent)

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division and Daekyo America, Inc. d.b.a. Eye Level Learning Centers and E.Nopi Learning Centers (“Daekyo”) do hereby enter into this Consent Order in settlement of the matters alleged herein. Daekyo neither admits nor denies the Findings of Fact or Conclusions of Law as stated below.

FINDINGS OF FACT

Respondent

1. Daekyo America, Inc. is a California corporation with its principal place of business in Ridgefield Park, New Jersey. Daekyo grants franchises to operate learning centers that provide proprietary educational services, methods, and programs for mathematics, the reading and writing of the English and Korean languages, and other curricula.

Nature of Offering

2. In the fall of 2013, a Washington resident and a Texas resident (“collectively referred to as the Franchisees”) agreed to partner together to purchase and operate an Daekyo Eye Level franchise in Washington State. The Texas resident had previously purchased two Daekyo franchises that are located in the state of Texas. The Franchisees communicated with Daekyo representatives by telephone and email and were provided with a copy of the company’s Franchise Disclosure Document. The Franchisees subsequently signed a contract to purchase a Daekyo franchise in October, 2013. Daekyo charged the Franchisees an initial franchise fee of \$20,000 and an ongoing monthly royalty based on the number of students enrolled

1 with a minimum monthly royalty of \$1,404 a month to be paid. Daekyo granted the Franchisees the right to
2 use its trademarks and names; provided them with guidance on the location of the business; provided them
3 with mandatory and suggested specifications for the layout of the business; provided instructional materials
4 and other supplies; provided an Operations manual; provided training; and marketing assistance.

5 **Registration Status**

6 3. Daekyo d.b.a. E.Nopi Learning Centers filed a franchise registration statement with the
7 Securities Division in 2007 and was registered to offer and sell franchises in the state from June 18, 2007 to
8 May 27, 2013.

9 4. On May 15, 2014, Daekyo d.b.a. Eye Level Learning Centers filed a franchise registration
10 statement with the Securities Division and agreed to waive the automatic effectiveness of the registration
11 statement. On June 23, 2014, the Securities Division issued a comment letter to Daekyo in which the
12 company was asked to address the issue of an apparent sale to the Franchisees of an unregistered franchise.

13 5. On October 15, 2015, Daekyo resubmitted its franchise registration application with the
14 Securities Administrator and later submitted documents relating to the purchase of a franchise by the
15 Franchisees. The Daekyo registration application is in “pending status” until a permit is issued.

16 6. Daekyo is not currently registered to offer or sell its franchises in the state of Washington and
17 has not been registered to do so since May 27, 2013.

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

19 **CONCLUSIONS OF LAW**

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

22 2. The offer or sale of said franchises was in violation of RCW 19.100.020 because no
23 registration for such offer or sale was effective with the Washington Securities Administrator at the time of
24 the offer and sale to the Washington Franchisees.

25 **CONSENT ORDER**

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

IT IS AGREED AND ORDERED that Respondent Daekyo America, Inc., its agents and employees shall each cease and desist from offering or selling franchises in violation of RCW 19.100.020, the registration section of the Franchise Investment Protection Act of the state of Washington.

1 IT IS FURTHER AGREED AND ORDERED that Respondent Daekyo America, Inc. shall be liable
2 for and shall pay investigative costs of \$3,000 prior to the entry of this Consent Order.

3 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.

4 IT IS FURTHER AGREED that Respondent Daekyo America, Inc., enters into this Consent Order
5 freely and voluntarily and with a full understanding of its terms and significance.

6 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Daekyo America,
7 Inc. waives its right to a hearing and to judicial review of this matter.

8 Signed this 1 day of March, 2016.

9 Daekyo America, Inc.

Approved as to form by:

10 By /s/

/s/

11 Hochul Kang / CEO
12 Print Name and Title

Adam Siegelheim,
Attorney for Respondent

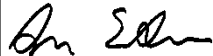
13 SIGNED and ENTERED this 24th day of March, 2016.

14 

15 _____
16 William M. Beatty
17 Securities Administrator

18 Approved by:

Presented by:

19 



20 _____
21 Suzanne Sarason
22 Chief of Enforcement

Martin Cordell
Financial Legal Examiner

23 Reviewed by:



24 _____
25 Jack McClellan
Financial Legal Examiner Supervisor