

1 **knklnknkSTATE OF WASHINGTON**  
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**  
3 **SECURITIES DIVISION**

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

8 Pink Baking Co. d.b.a. Kiki Bakery,  
9 Pin-Hsiu Lin, and  
10 Ming Chang Peng

11 Respondents.

12 Order No. S-20-3053-21-SC01

13 STATEMENT OF CHARGES AND  
14 NOTICE OF INTENT TO  
15 ENTER ORDER TO CEASE AND DESIST

16 **THE STATE OF WASHINGTON TO: Pink Baking Co., Pin-Hsiu Lin, and Ming Chang Peng**

17 Please take notice that the Securities Administrator for the state of Washington has reason to believe  
18 that Respondents Pink Baking Co. d.b.a. Kiki Bakery, Pin-Hsiu Lin, and Ming Chang Peng (“Respondents”)  
19 have violated the Franchise Investment Protection Act of Washington (“the Franchise Act”), RCW 19.100,  
20 and that their violations justify the entry of an order of the Securities Administrator under RCW 19.100.248  
21 to cease and desist from such violations. The Securities Administrator finds as follows:

22 **TENTATIVE FINDINGS OF FACT**

23 **Respondents**

1. Pink Baking Co. (“Pink Baking”) was incorporated in the state of California. Its principal business address is in Edmonds, Washington. Pink Baking is in the business of operating “Kiki Bakery” chain stores.
2. Pin-Hsiu Lin (“Lin”) is a principal and co-owner of Pink Baking.
3. Ming Chang Peng (“Peng”) is a principal and co-owner of Pink Baking.

1 **Nature of Conduct**

2 *Unregistered Franchise Offer*

3 4. In 2018, the Respondents were approached by two Washington residents (“the Residents”),  
4 who were interested in acquiring an existing Kiki Bakery location. Lin and Peng met and negotiated with the  
5 Residents regarding the store purchase over a series of meetings at the store location, at their home, and at  
6 the Respondent’s lawyer’s office. Respondents provided the Residents with several months of Profit and  
7 Loss statements for the store.

8 5. Respondent Lin told the Residents that the Respondents could offer them an arrangement in  
9 which they could continue to use the Kiki Bakery name, receive training and support from the Respondents,  
10 and purchase supplies through them at a lower price.

11 6. Respondents offered the Residents the opportunity to purchase the store and enter into a  
12 “franchise agreement” for \$10,000 plus an additional \$10,000 per year. Respondents also sold the Residents  
13 the store’s equipment, supplies and inventory. Respondents provided the Residents with a franchise  
14 agreement which was signed by them on or about August 31, 2018. The franchise agreement had an  
15 effective date of September 1, 2018. The Residents paid Respondents a total of \$250,000 for their franchise  
16 agreement and store purchase.

17 7. The Respondents provided the Residents a Franchise Agreement in which Pink Baking  
18 granted the Residents a license to use their Proprietary Marks and “System” for the operation of a Kiki  
19 Bakery.

20 8. The Respondents provided the Residents several months of training at another bakery owned  
21 by the Respondents.

1 **Registration**

2 9. The Respondents are not currently registered and have not been registered to offer franchises  
3 in the State of Washington.

4 **Violations**

5 10. The Respondents failed to disclose to the Residents all of the material facts relating to the  
6 purchase of the franchise, including, but not limited to financial statements of Pink Baking.

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

8 **CONCLUSIONS OF LAW**

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

11 2. The offer and sale of a franchise to operate a Kiki Bakery store as described in paragraphs  
12 four through nine above constitutes the offer and/or sale of an unregistered franchise in violation of RCW  
13 19.100.020.

14 3. The misrepresentation or omission of material facts regarding Pink Baking in paragraph ten  
15 above is a violation of RCW 19.100.170.

16 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

17 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities  
18 Administrator intends to order that Respondents Pink Baking Co., Pin-Hsiu Lin, Ming Chang Peng,  
19 and their agents and employees, each shall cease and desist from violations of RCW 19.100.020 and RCW  
20 19.100.170.

1 **AUTHORITY AND PROCEDURE**

2 This Order is entered pursuant to the provisions of RCW 19.100.248 and is subject to the provisions  
3 of Chapter 34.05 RCW. Each Respondent may make a written request for a hearing as set forth in the  
4 NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this  
5 order. If a Respondent does not request a hearing within the allowed time, the Securities Administrator  
6 intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and enter an order to  
7 cease and desist permanent as to that Respondent.

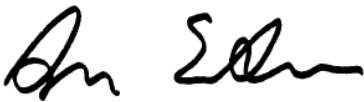
8 SIGNED and ENTERED this 8th day of July, 2021

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12 William M. Beatty  
13 Securities Administrator

14 Approved by:

Presented by:

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17  
18 Suzanne Sarason  
19 Chief of Enforcement

20 

21 Martin Cordell  
22 Financial Legal Examiner

23 Reviewed by:



Jack McClellan  
Financial Legal Examiner Supervisor