

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

**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:

Inchins Bamboo Garden Franchising LLC,

Respondent.

Order No.: S-24-3750-24-CO01

CONSENT ORDER

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division and Respondent Inchins Bamboo Garden Franchising LLC, do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondent Inchins Bamboo Garden Franchising LLC, neither admits nor denies the Findings of Fact or Conclusions of Law as stated below.

FINDINGS OF FACT

Respondent

1. Inchins Bamboo Garden Franchising LLC (“Inchins Franchising”), a Georgia limited liability company engaged in the business of offering and selling Inchins Restaurant franchises, was formed on May 30, 2006.

Related Entities

2. Red Chili Wok LLC (“Red Chili Wok”) is a Washington limited liability company, formed on October 15, 2005.

CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 41200
Olympia, WA 98504-1200
360-902-8760

1 3. Bothell Inchin Inc (“Bothell Inchins”) is a Washington corporation, formed on September 19,
2 2016.

3 **Washington Franchise Activities**

4 **Initial Registration**

5 4. On November 17, 2006, the State of Washington Department of Financial Institutions (“WA
6 DFI”) granted a franchise registration permit to Georgia franchisor Inchins Franchising. The permit, effective
7 from November 8, 2006, to November 8, 2007, allowed the franchisor to offer and sell Inchins Restaurant
8 franchises in Washington.

9 5. Inchins Restaurants are full service, casual dining restaurants offering Pan Asian cuisine, soft
10 drinks, alcoholic beverages (optional) and related services under the composite service mark INCHIN’S
11 BAMBOO GARDEN.

12 6. On March 27, 2007, Red Chili Wok signed a franchise agreement with Inchins Franchising
13 regarding the purchase of an Inchins Restaurant franchise.

14 7. *Y.G.* signed the franchise agreement on behalf of Red Chili Wok, as managing member.

15 **Renewal and Further Franchise Sales**

16 8. Red Chili Wok renewed the franchise agreement for the Redmond location on March 27, 2017.

17 9. Red Chili Wok operated the Inchins Restaurant outlet in Redmond, Washington from March
18 27, 2007, until May of 2021.

19 10. The Redmond Inchins Restaurant outlet closed when the landlord chose to demolish the
20 building to make way for new development.

21 11. Inchins Franchising terminated the franchise agreement with Red Chili Wok for the Redmond
22 outlet at the time of the restaurant closing.

23 **CONSENT ORDER**

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 41200
Olympia, WA 98504-1200
360-902-8760

1 12. On September 17, 2017, Red Chili Wok opened a second Inchins Restaurant outlet in Bellevue,
2 Washington after signing a franchise agreement on April 10, 2017.

3 13. Presently, Red Chili Wok operates the single Inchins Restaurant outlet.

4 14. On February 2, 2017, Bothell Inchins entered a franchise agreement with Inchins Franchising
5 related to an Inchins Restaurant outlet in Bothell, Washington.

6 15. *S.B.*, identified as President of Bothell Inchins, signed the franchise agreement on behalf of the
7 corporation.

8 16. *Y.G.* is a governor of both Red Chili Wok and Bothell Inchins.

9 17. Inchins Franchising was not registered to offer or sell franchises in Washington during 2017,
10 so any offer or sale had to be exempt from registration requirements.

11 **Current Registration Status**

12 18. On November 18, 2022, Inchins Franchising applied to the WA DFI for the Initial Registration
13 of an Offer and Sale of Franchises. Application materials included a Franchise Disclosure Document and
14 various exhibits.

15 19. On December 12, 2023, WA DFI, noting that Inchins Franchising had disclosed multiple
16 Washington outlets in its application materials, requested the franchisor provide further information about the
17 registration or exemption relied upon for sale of its Washington franchises to Red Chili Wok and Bothell
18 Inchins.

19 20. Inchins Franchising failed to answer WA DFI's initial comment letter.

20 21. WA DFI followed with a targeted inquiry regarding the 2017 franchise sales—Inchins
21 Franchising answered that *both* sales relied upon the exemption of “an offer or sale of an additional franchise
22 to an existing franchisee of the franchisor for the franchisee’s own account that is substantially the same as

1 the franchise that the franchisee has operated for at least two years at the time of the offer or sale, provided
2 the prior sale to the franchisee was pursuant to a franchise offering that was registered in the state of
Washington,” RCW 19.100.030(6).

3 22. Red Chili Wok—the franchisee of both the previous Redmond outlet and the present Bellevue
4 outlet, does share one governor, *Y.G.*, with Bothell Inchins.

5 23. However, the franchisees Red Chili Wok and Bothell Inchins are not the same entity and do
6 not have the same associated persons.

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

8 **CONCLUSIONS OF LAW**

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

10 25. The offer or sale of the franchise operated by Red Chili Wok—the Bellevue outlet—was
11 exempt from registration under RCW 19.100.030(6).

12 26. The offer or sale of the franchise operated by Bothell Inchins—the Bothell outlet—was in
13 violation of RCW 19.100.020 because no registration for such offer or sale is on file with the Washington
Securities Administrator.

14 **CONSENT ORDER**

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

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

19
20 **CONSENT ORDER**

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 41200
Olympia, WA 98504-1200
360-902-8760

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

IT IS FURTHER AGREED AND ORDERED that Respondent Inchins Franchising shall be liable for and shall pay investigative costs of \$1500.00 prior to the entry of this Consent Order.

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

IT IS FURTHER AGREED that Respondent Inchins Franchising enters into this Consent Order freely and voluntarily and with a full understanding of its terms and significance.

IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Inchins Franchising waives its right to a hearing and to judicial review of this matter.

Signed this 31st day of May 2024

/s/Amitabh Agrawal

Inchins Bamboo Garden Franchising LLC

Print Name: Amitabh Agrawal

Title: CEO

Approved as to form by:

John Previs
Attorney at Law



SIGNED and ENTERED this 11th day of June, 2024

/s/

William M. Beatty
Securities Administrator

Approved by:

/s/

/s/

Brian Guerard
Chief of Enforcement

Presented by:

Megan Campbell
Financial Legal Examiner

Reviewed by:

/s/

Holly Mack-Kretzler
Financial Legal Examiner Supervisor

CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 41200
Olympia, WA 98504-1200
360-902-8760