

1 STATE OF CALIFORNIA  
2 BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY  
3 DEPARTMENT OF BUSINESS OVERSIGHT

4 TO: Kamado International, L.L.C., d.b.a.  
5 KU-KAI restaurant franchises, Kukai Ramen Franchising,  
6 www.kukai-ramen.com, Kizuki Ramen & Izakaya, and  
7 Kukai Ramen & Izakaya

8 14603 NE 20<sup>th</sup> Street, Ste.4C  
9 Bellevue, WA 98007

10 14845 Main Street  
11 Bellevue, WA 98007

12 **DESIST AND REFRAIN ORDER**  
13 **(For violations of section 31110 of the Corporations Code)**

14 1. At all relevant times, Kukai.USA, Inc. is a Delaware corporation with a principal place  
15 of business located at 4-31-16 Kugahara, OTA-KU Tokyo 1460085, Japan, FO, 00001 (“KCORP”).  
16 KCORP represents itself to the franchisees as the “master franchisor” in a franchise operation  
17 specializing in Japanese restaurants generally using the term “KU-KAI” in restaurant names.

18 2. At all relevant times, Kamado International, L.L.C., is a limited liability company in  
19 association with KCORP doing business in California and Washington State with a principal place of  
20 business at 14845 Main Street, Bellevue, Washington, 98007 (“KAM”). KAM conducts business by  
21 way of telephone number (425)243-7527, on the internet at www.kukai-ramen.com, and by  
22 electronic mail at contact@kukai-ramen.com.

23 3. At all relevant times, KAM is a franchisee of KCORP in Washington State. KAM is  
24 also a franchisor of KCORP restaurant franchises. KAM operates KCORP restaurant franchises by  
25 doing business as Kukai Ramen Franchising, www.kukai-ramen.com, Kizuki Ramen & Izakaya or  
26 Kukai Ramen & Izakaya. KU-KAI restaurant franchises, www.kukai-ramen.com, Kukai Ramen  
27 Franchising, Kizuki Ramen & Izakaya, and Kukai Ramen & Izakaya are collectively referred to  
28 herein as “RAMEN”. RAMEN are restaurants, specializing in Japanese cuisine which includes ramen  
noodle soup, tempura, and small plate selections such as gyoza, rolls, and mochi ice cream.

1           4.       RAMEN franchisees operate using the “Kukai” name and use trademarks or other  
2 intellectual property owned by KCORP. RAMEN franchisees also offer a menu of specific and  
3 unique food products made by way of special formulas, recipes and quality standards, owned by  
4 KCORP. Further, RAMEN franchisees attend training courses and abide by business practices  
5 and policies set forth in specific confidential business manuals also owned by KCORP.  
6 Moreover, the appearance of RAMEN franchises must be uniform and consist of a distinctive  
7 design, color scheme, decor, and atmosphere designated by KCORP. Finally, restaurant uniforms  
8 designated by KCORP must be used by RAMEN staff in association with the operation of the  
9 franchises. RAMEN Franchisees must pay to KAM an initial franchise fee of at least fifty thousand  
10 dollars (\$50,000.00) to purchase a RAMEN franchise. The approximate total investment necessary to  
11 begin operation of a RAMEN franchise is over four hundred ninety nine thousand dollars  
12 (\$499,000.00), which includes the initial franchise fee.

13           5.       At all relevant times, Brandon Ting is a representative of KAM or Kukai-Ramen  
14 Franchising conducting business by electronic mail at Brandon@kukai-ramen.com, with a principal  
15 place of business located in Washington State (“Ting”).

16           6.       In July 2015, RAMEN paid a five thousand three hundred and fifty dollar (\$5,350.00)  
17 exhibitor fee which included booth rental and brand marketing services to H.A. Bruno, L.L.C. dba  
18 MFV Expositions and West Coast Franchise Expo. RAMEN and KAM paid the fee to exhibit  
19 RAMEN franchises and offer RAMEN franchise opportunities to California consumers by way of  
20 booth number 441 with listing identification number 3239, at the West Coast Franchise Expo on  
21 November 12th, 13<sup>th</sup> and 14<sup>th</sup>, 2015. The West Coast Franchise Expo was held at the Anaheim  
22 Convention Center located at 800 West Katella Avenue, in Anaheim, California.

23           7.       Beginning in 2015 to at least January 2016, RAMEN, KAM, and Ting marketed and  
24 offered RAMEN franchises for sale to California residents by way of electronic mail. From 2015 to  
25 present, RAMEN, KAM, and Ting were not and are not registered with the Department of Business  
26 Oversight to offer franchises for sale to California residents pursuant to the Franchise Investment  
27 Law and are not exempted under Chapter 1, beginning with Corporations Code section 31100, of that  
28 law.

