ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND

IN THE MATTER OF:	*	
HK Heycha Limited, d.b.a. Heytea	*	Case No. 2025-0345
Respondent.	*	

* * * * * * * * * * * * *

CONSENT ORDER

WHEREAS, the Securities Division of the Office of the Attorney General of Maryland (the "Securities Division") initiated an investigation into the franchise-related activities of HK Heycha Limited, d.b.a. Heytea ("Heytea") under the authority granted under the Maryland Franchise Registration and Disclosure Law, MD. CODE ANN., BUS. REG. §14-201 et seq. (2024 Repl. Vol.) (the "Maryland Franchise Law"); and

WHEREAS, based on information presented by the Securities Division, the Maryland Securities Commissioner (the "Securities Commissioner") has concluded that grounds exist to allege that Heytea violated the registration and disclosure provisions of the Maryland Franchise Law in relation to the offer and sale of a franchise under the Maryland Franchise Law; and

WHEREAS, before the holding of a hearing in this matter, without trial or final adjudication of any issue of fact or law, and without Heytea admitting or denying any violation of law, the Securities Commissioner and Heytea have reached an agreement to enter into this Consent Order; and

WHEREAS, Heytea waives its right to a hearing and any rights to seek judicial review or

otherwise challenge or contest the terms and conditions of this Consent Order; and

WHEREAS, the Securities Commissioner has determined that it is in the public interest to issue this Consent Order;

NOW, THEREFORE, it is hereby agreed, and the Securities Commissioner hereby orders:

I. JURISDICTION

1. The Securities Commissioner has jurisdiction in this proceeding pursuant to Section 14-210(a) of the Maryland Franchise Law.

II. FINDINGS OF FACT

A. Respondent

2. Heytea is a Hong Kong limited company with a principal business address of 9/F MW Tower, No. 111 Bonham Strand, Sheung Wan, Hong Kong.

3. Zhichao Liu is the founder and director of Heytea.

4. Heytea offers and sells franchises for the operation of tea houses that sell brewed drinks and pre-made food and beverage items.

5. On July 30, 2024, Heytea filed with the Securities Division an initial application to register its franchise offering under the Maryland Franchise Law.

6. On August 30, 2024, the Securities Division reviewed Heytea's initial application and issued comments that the franchisor needed to address before the Securities Division would register Heytea's franchise offering ("August 30, 2024 Comment Letter"). Among the comments the Securities Division made in the August 30, 2024 Comment Letter was a request that the franchisor submit an undertaking stating that the franchisor had not offered or sold any

franchises in Maryland during the time the franchisor was not effectively registered under the Maryland Franchise Law.

7. Heytea never responded to the August 30, 2024 Comment Letter.

8. On March 1, 2025, the application filed by Heytea on July 30, 2024 was deemed abandoned by the Securities Division.

9. On June 4, 2025, Heytea refiled with the Securities Division an initial application to register its franchise offering under the Maryland Franchise Law.

10. On June 27, 2025, the Securities Division reviewed Heytea's refiled initial application and issued comments to the application that the franchisor needed to address before the Securities Division would register Heytea's franchise offering ("June 27, 2025 Comment Letter"). Among the comments the Securities Division made in the June 27, 2025 Comment Letter was a request that the franchisor submit an undertaking stating that the franchisor had not offered or sold any franchises in Maryland during the time the franchisor was not effectively registered under the Maryland Franchise Law.

11. On June 27, 2025, a Securities Division examiner also emailed the attorney that filed Heytea's June 4, 2025 application ("Initial Attorney") to inform the Initial Attorney that Heytea was required to submit the requested undertaking by July 15, 2025.

12. On July 15, 2025, the Initial Attorney emailed the Securities Division staff person. Attached to the Initial Attorney's email was an undertaking signed by Zhichao Liu on behalf of Heytea ("Heytea Undertaking") and a model of a license agreement used by Heytea to license the Heytea brand and system to others.

13. The Heytea Undertaking states that Heytea entered into a license agreement with a Maryland entity (a "Maryland Licensee") for a Heytea store in Rockville, Maryland on or

about April 10, 2024.

14. On July 17, 2025, the Securities Division requested the executed copy of the license agreement with the Maryland Licensee. Heytea never responded.

15. On July 24, 2025, the Securities Commissioner issued a Subpeona Duces Tecum to Heytea ("Subpeona").

16. On September 5, 2025, a Second Attorney emailed a Securities Division staff person stating that he represented Heytea. Attached to the Second Attorney's email was a response to the Subpoena and a copy of a license agreement that Heytea executed with the Maryland Licensee.

B. The Heytea Maryland License Agreements

17. Heytea acknowledges that, on April 10, 2024, Heytea entered into a license agreement with DLQQ, Inc., a Maryland corporation, ("DLQQ") for the right to own and operate a Heytea teahouse in Rockville, Maryland ("Rockville Teahouse").

18. DLQQ paid Heytea initial fees of $48,000 for royalty and $20,000 for licensing under the Rockville Teahouse License Agreement.

19. Heytea represented to the Securities Division that the Rockville Teahouse is operational as of the date of this Consent Order.

20. On September 16, 2025, the Second Attorney emailed a Securities Division staff member that on April 18, 2024, Heytea entered into a second license agreement with DLQQ for a Heytea teahouse in Tysons Corner, Virginia ("Tysons Corner Teahouse"). Attached to the email was a copy of the Tysons Corner Teahouse License Agreement (together with the Rockville Teahouse License Agreement, the "DLQQ License Agreements").

21. Heytea represents to the Securities Division that DLQQ paid Heytea the following

initial fees for the right to own and operate the Tysons Corner Teahouse: $37,957.70 for franchise fee; $20,000 for security deposit; and $24,964.77 for supply chain payment deposit

22. Heytea represented to the Securities Division that the Tysons Corner Teahouse is operational as of the date of this Consent Order.

23. The Securities Commissioner has determined that each DLQQ License Agreement is a "franchise" under the Maryland Franchise Law.

24. Heytea has never registered with the Securities Division to offer and sell franchises under the Maryland Franchise Law.

25. Heytea did not provide a copy of a franchise disclosure document ("FDD") required under the Maryland Franchise Law prior to the offer and sale of either the Rockville Teahouse franchise or the Tysons Corner Teahouse franchise to DLQQ.

C. Representations by Heytea

26. Heytea represents that, other than the sale of the DLQQ license agreements described in this Consent Order, Heytea did not offer or sell a franchise in Maryland or to any Maryland residents.

27. Heytea represents and agrees that, in the future, it will comply with all provisions under the Maryland Franchise Law.

III. CONCLUSIONS OF LAW

28. By engaging in the above activities, the Securities Commissioner has concluded that Heytea violated sections 14-214, 14-215, 14-216, and 14-223 of the Maryland Franchise Law.

IV. ORDER AND CONSENT

29. THE SECURITIES COMMISSIONER HEREBY ORDERS AND HEYTEA HEREBY CONSENTS AND REPRESENTS AS FOLLOWS:

A. Heytea shall immediately and permanently cease and desist from the offer and sale of franchises in violation of the Maryland Franchise Law;

B. Within ten (10) days of its receipt of a fully executed Consent Order of the Securities Commissioner, Heytea shall send by mail or electronically, in each case with applicable tracking/recipient documentation to DLQQ, the following: (i) a copy of this Consent Order; and (ii) a letter, in substantially the form attached to this letter as Exhibit 1, captioned "Notice of Rescission Rights," notifying DLQQ that it is being offered an opportunity to immediately rescind the License Agreements under the terms of this Consent Order and, if DLQQ opts to rescind, receive a refund of the fees (royalty, license fee, initial franchise fee, security deposit; and supply chain payment deposit) it paid Heytea, and if applicable, the amount it paid Heytea for products and equipment it purchased from Heytea and its affiliates as of the date of acceptance of the rescission offer if they return, at Heytea's expense, the products and equipment it received as part of its purchase of the License Agreement(s);

C. If DLQQ does not opt to rescind any of its License Agreement(s) in response to Heytea's Notice of Rescission Rights, Heytea shall diligently pursue its application to register the Heytea franchise offering under the Maryland Franchise Law. Heytea will also prepare and submit a one-page cover letter ("Cover Letter") with the application, for approval by the Securities Division, which Cover Letter shall describe the differences between the License Agreements signed by the DLQQ and the Heytea franchise offering to be registered with the Securities Division. For purposes of this Consent Order, "diligently pursue" means that an applicant submits a substantive response to each Securities Division comment letter regarding a registration application no later than 30 days after the applicant's receipt of that comment letter;

D. If DLQQ does not opt to rescind any of its License Agreement(s) in response to the Notice of Rescission Rights, and Heytea fails to register its franchise offering with the Securities Division and obtain approval for the Cover Letter as required under this Consent Order within nine (9) months from the date of this Consent Order ("Due Date"), Heytea shall be assessed an additional civil monetary penalty in the amount of One Thousand Dollars ($1,000.00) due and payable within fifteen (15) days after the Due Date, which civil penalty amount shall continue to increase by One Thousand Dollars $1,000.00 ("Additional Penalty") for every additional month after the Due Date so long as Heytea has not obtained a registration of its franchise offering with the Securities Division. If Heytea is not

registered as required under this Consent Order after seven months, an Additional Penalty shall be due and payable by the fifteenth (15th) day of the eighth month after the date of this Agreement, and on the 15th day of each succeeding month so long as Heytea is not registered as required under this Consent Order. If Heytea fails to make timely payments to the Office of the Attorney General as required under this Consent Order, and payments are delinquent for more than sixty (60) days, the Office of the Attorney General may refer collection of the monies due under this Consent Order to the Central Collections Unit ("CCU") of the State of Maryland. If a referral is made, any fee assessed by CCU shall be in addition to, and not offset, the balance of the civil monetary penalty owed to the Securities Division;

E. If Heytea is required to register its franchise offering under Paragraph (C) above, within ten (10) days of notification by the Securities Division that the Heytea franchise offering is effectively registered for use in Maryland and the Cover Letter is approved, Heytea shall send by mail or electronically, in each case with applicable tracking/recipient documentation to DLQQ, the following: (i) a copy of an effectively registered Maryland FDD; (ii) a copy of the Cover Letter approved by the Securities Division; and (iii) a letter, in substantially the form attached to this letter as Exhibit 2 captioned "Offer to Rescind License Agreement," notifying DLQQ that it is being given a second opportunity to rescind its Heytea License Agreement(s) under the terms of this Consent Order;

F. The Securities Commissioner had determined that the initial Heytea offer of a franchise to the Maryland Licensees in the form of the Notice of Rescission Rights described in this Consent Order is exempt from the registration provisions of the Maryland Franchise Law;

G. Heytea shall remit to the Office of Attorney General, as a civil monetary penalty, the sum of Ten Thousand Dollars ($10,000.00); and

H. Heytea acknowledges that this Consent Order is a disclosable order as described under the Maryland Franchise Law and Item 3 of the NASAA Franchise Registration and Disclosure Guidelines and Amended FTC Franchise Rule.

V. JURISDICTION RETAINED

30. Jurisdiction shall be retained by the Securities Commissioner for such further orders and directions as may be necessary or appropriate for the construction or enforcement of the Consent Order.

VI. CONSEQUENCES OF VIOLATING THIS CONSENT ORDER

31. If Heytea fails to comply with any term of this Consent Order, the Securities Division may bring administrative or judicial proceedings against Heytea to enforce this Consent Order or to sanction Heytea for violating an order of the Securities Commissioner and may take any other action authorized under the Maryland Franchise Law or any other applicable law. In any such proceeding in which, after an opportunity for a hearing, the Securities Commissioner or a court finds that Heytea violated this Consent Order, the Statement of Facts and the violations of the Maryland Franchise Law alleged in the Consent Order shall be deemed admitted and may be introduced into evidence against it.

VII. MODIFICATION OF CONSENT ORDER

32. The terms of this Consent Order may be modified only by a subsequent order issued by the Securities Commissioner.

DATE OF THIS ORDER;

February 13, 2026

SO ORDERED:

Commissioner's Signature on File w/Original Document

MELANIE SENTER LUBIN
SECURITIES COMMISSIONER

BY CONSENT:

HK Heycha Limited

By: Zhichao Liu - Director

FORM
(On Company Letterhead)

VIA [INSERT DELIVERY METHOD]
TO [INSERT FULL ADDRESSEE INFORMATION]

Re: **[Company] Notice of Rescission Rights**

Dear _____:

In accordance with discussions our attorneys have had with the Securities Division of the Office of the Attorney General of Maryland, [Insert Name of Company] ("we") have agreed under the attached Consent Order to offer rescission to any Maryland residents who entered into License Agreement(s) with us in violation of the registration and disclosure provisions of the Maryland Franchise Law. We are making this offer in settlement of the administrative proceeding that the Securities Division may bring for the alleged sale of a franchise in violation of the Maryland Franchise Law, and this offer does not affect any civil liability for which we may be responsible.

If you elect to rescind and terminate your License Agreement, we agree to cancel your License Agreement, including all post-term and non-competition obligations you may have to us under that License Agreement. You also will give up any rights to use our trademarks and system and be obligated to refrain from using and disclosing any of our trade secrets and any of our confidential and proprietary information

In the event you rescind, we will return to you the initial fees you paid us under your License Agreement and, if applicable, give you a full refund of the cost you paid us for any equipment or products you purchased from us, if you return the equipment/products to us, at our expense. We will refund the initial fees you paid to us within 31 days after we receive your Acceptance of Offer to Rescind, and we will refund the price of the equipment/products within 31 days of receiving the equipment or products.

If you do not rescind your License Agreement now, you will be given a second opportunity to rescind your License Agreement after we have completed the franchise registration process. When that registration is complete, we will send you a copy of a Maryland registered Franchise Disclosure Document ("FDD"), a new letter offering to rescind your franchise agreement under the same terms outlined in this letter, and a Cover Letter outlining the differences between the franchise offering described in the FDD and your existing License Agreement.

This offer will remain open for thirty (30) days from the date you receive this letter. Please check the appropriate place below and return a signed copy of this letter to me within the time period. If you have any questions, please contact Tade Osikomaiya, Assistant Attorney General, at the Securities Division (410-576-7039).

Sincerely,

_____
[The Company]

Enclosed: Consent Order

ACCEPTANCE OR REFUSAL OF OFFER TO RESCIND LICENSE AGREEMENT

1. I, the undersigned, acknowledge that I have read the preceding Notice of Rescission Rights and understand its contents.

2. I understand that I have not waived my rights under the Maryland Franchise and Disclosure Law by signing this document.

3. I hereby make the following choice to accept or refuse your offer to rescind my License Agreement:

CHECK ONE

_____ I hereby **accept** your offer of rescission and agree to not use your trademarks and system and to not use or disclose to anyone the trade secrets and confidential and proprietary information that we obtained from you. Please contact me to arrange for the return to you of the equipment from my Equipment Package.

_____ I do not accept your offer of rescission. I wish to remain a franchisee under my License Agreement at this time. I understand that I will be given a second opportunity to rescind my License Agreement once the franchisor has registered its franchise offering with the Securities Division under the Maryland Franchise Law.

_____ _____

Date Licensee/Franchisee

FORM
(On Company Letterhead)

VIA [INSERT DELIVERY METHOD]
TO [INSERT FULL ADDRESSEE INFORMATION]

Re: **[Company] Offer to Rescind License Agreement**

Dear _____:

As you recall, [Insert Name of Company] ("we") agreed to offer rescission to you of your License Agreement with us. You previously received a "Notice of Rescission Rights" from us offering to rescind your License Agreement immediately. Now that we have completed the registration of our franchise offering, we are giving you this second opportunity to rescind your License Agreement. This offer of rescission is made in settlement of the administrative proceeding that the Securities Division may bring for the sale of a franchise in violation of the Maryland Franchise Law and does not affect any civil liability for which we may be responsible.

If you elect to rescind and terminate your License Agreement, we agree to cancel your License Agreement, including all post-term and non-competition obligations you may have to us under that License Agreement. You also will give up any rights to use our trademarks and system and be obligated to refrain from using and disclosing any of our trade secrets and any of our confidential and proprietary information

In the event you rescind, we will return to you the initial fees you paid us under your License Agreement and, if applicable, give you a full refund of the cost you paid to us for any equipment package/products you purchased from us, if you return the equipment/product to us, at our expense. We will refund the initial fee you paid to us within 31 days after we receive your Acceptance of Offer to Rescind, and we will refund the price of the equipment package/products within 31 days of receiving the equipment or products.

If you consider remaining a franchisee under your current License Agreement, we are including a franchise disclosure document ("FDD") regarding that franchise offering that you should review before making that decision, and a Cover Letter outlining the differences between the franchise offering described in the FDD and your existing License Agreement. You are not required to sign the new Franchise Agreement described in the FDD if you wish to remain as a franchisee under your existing License Agreement.

This offer will remain open for thirty (30) days from the date you receive this letter. Please check the appropriate place below and return a signed copy of this letter to me within the time period. If you have any questions, please contact Tade Osikomaiya, Assistant Attorney General, at the Securities Division (410-576-7039).

Sincerely,

_____
[The Company]

Enclosed: Franchise Disclosure Document and Cover Letter

ACCEPTANCE OR REFUSAL OF OFFER TO RESCIND LICENSE AGREEMENT

1. I, the undersigned, acknowledge that I have read the preceding Offer to Rescind License Agreement and understand its contents.

2. I understand that I have not waived my rights under the Maryland Franchise Registration and Disclosure Law by signing this document.

3. I hereby make the following choice to accept or refuse your offer to rescind my License Agreement:

CHECK ONE

_____ I hereby **accept** your offer of rescission and agree to not use your trademarks, patents, and system and to not use or disclose to anyone the trade secrets and confidential and proprietary information that we obtained from you. Please contact me to arrange for the return to you of the equipment/product.

_____ I do **not accept** your offer of rescission. I wish to remain a franchisee under my License Agreement.

Date:_____ _____

Licensee/Franchisee