

FRANCHISE DISCLOSURE DOCUMENT



MUGINOHO INTERNATIONAL, INC.
A New York Corporation
Until March 14, 2016:
5839 Green Valley Circle, Suite 200
Culver City, CA 90230
Beginning March 15, 2016:
20695 South Western Avenue, Suite 120
Torrance, CA 90501
310-642-6542
www.beardpapas.com

We offer Beard Papa's Sweets Café franchises for the operation of dessert shops selling a limited menu including our proprietary Beard Papa's cream puffs and other proprietary dessert, sweets, and beverage items as well as nonproprietary beverages we designate or approve (collectively "Beard Papa's Shops" and individually "Beard Papa's Shop"). We offer franchises for the development and operation of one Beard Papa's Shop that we refer to as single unit franchisees as well as area development franchises that permit an area developer to develop an agreed upon number of Beard Papa's Shops in a designated area on an agreed upon schedule that we refer to as area developer franchisees. Beard Papa's Shops use Muginoho International, Inc.'s proprietary business operating methods and trade and service marks owned by us or an affiliated entity.

The total investment necessary for a single unit franchisee to begin operation of a single unit Beard Papa's franchised business is \$134,720 to \$457,310. This includes \$41,820 to \$70,230 that must be paid to the franchisor or its affiliate(s). The total investment necessary for an area developer franchisee to begin operation of a Beard Papa's area development franchise, including development of the first franchised Beard Papa's Shop, is between \$157,820 and \$777,810, with the exact cost depending on the cost of developing the first unit and the amount of the development rights fee we charge and the initial franchise fee we charge for the first Beard Papa's Shop, both of which we set based upon a variety of factors including the number of units the area developer is permitted to develop, the time period during which development is permitted, the size and demographics of the development area, and our valuation of the development area. This includes \$59,820 to \$370,230 that must be paid to the franchisor or its affiliate(s).

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **NOTE, HOWEVER, THAT NO GOVERNMENTAL AGENCY HAS VERIFIED THE INFORMATION CONTAINED IN THIS DOCUMENT.**

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to

Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance date: March 8, 2016.

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. **REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.**

Call the state franchise administrator listed in Exhibit A for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following **RISK FACTORS** before you buy this franchise:

- 1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN CALIFORNIA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.**
- 2. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

Effective Date: See the next page for state effective dates.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/beard-papas-sweets-cafe>