

# FRANCHISE DISCLOSURE DOCUMENT

Department of  
Business Oversight

OCT 28 2014

**RECEIVED**  
San Francisco

BOCONCEPT FRANCHISE, INC  
20 Pulaski Street  
Bayonne, New Jersey 07002  
(201) 433-4461  
[www.boconcept.us](http://www.boconcept.us)



The franchise offered is for the business of selling retail furniture and related products, under the name of BoConcept® and which is owned by BOCONCEPT FRANCHISE, INC and its affiliated companies. The initial franchise fee is \$30,000.00 for a franchise, as described in Items 1 and 5. The amount of the franchise fee may vary dependent upon the location of a franchise and the number of franchises purchased. The total investment necessary to begin operation of a BoConcept Franchise, Inc., franchised business is between \$362,462.00 to \$986,412.00, dependent upon the size and location of each store. This includes \$30,000.00 franchise fee and between \$65,000.00 and \$170,000.00 for initial inventory including accessories and furniture product displays, and between \$15,000.00 and \$30,000.00 for store buildout/shopfitter, and an initial fee of \$2,023.00 for AXAPTA (inventory, sales, delivery software) and User license of \$7,689.00, that must be paid to the franchisor or its affiliates as the initial fees described in Item 5.

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 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](http://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 October 1, 2014

## STATE COVER PAGE-BOCONCEPT FRANCHISE, INC

Your state may have a franchise, business opportunity or other law that requires a franchisor to register or file with a state franchise administrator or other agency before offering or selling in your state REGISTRATION OR ACCEPTANCE OF A FILING OF A FRANCHISE OR A BUSINESS OPPORTUNITY BY A STATE DOES NOT MEAN THAT THE STATE HAS REVIEWED OR RECOMMENDS, APPROVES OR ENDORSES THE FRANCHISE OR BUSINESS OPPORTUNITY, OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT If you have any questions about this investment, see an attorney before you sign any contract or agreement and call the state franchise administrator listed in Exhibit C 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 PERMITS THE FRANCHISEE TO SUE OR ARBITRATE WITH COMPANY ONLY IN KANSAS\* OUT OF STATE LITIGATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO LITIGATE OR ARBITRATE IN KANSAS THAN IN YOUR HOME STATE HOWEVER THE FRANCHISEE CAN FILE A CIVIL LAWSUIT IN THEIR HOME STATE ALLEGING A VIOLATION OF SUCH STATES FRANCHISE LAW \*Illinois allows Illinois franchisees to sue or arbitrate in Illinois

2 THE FRANCHISE AGREEMENT STATES THAT KANSAS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS TO SEE IF YOU'RE STATE REQUIRES THAT YOUR STATE LAW GOVERNS THIS AGREEMENT (State Administrators are listed on Exhibit C)

3 SINCE ITS INCEPTION, THE FRANCHISOR HAS NET OPERATING LOSS CARRYFORWARD OF \$264,590 00 AND AS OF FISCAL YEAR END 4-30-14 FRANCHISOR HAS A POSITIVE NET WORTH OF \$86,410 00 THE FINANCIAL STATEMENTS AS OF APRIL 30, 2014 HAVE BEEN PREPARED ASSUMING THE COMPANY WILL CONTINUE AS A GOING CONCERN

4 THE FRANCHISEE'S SPOUSE MUST SIGN A PERSONAL GUARANTY MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT WHICH ALSO PLACES THE SPOUSES PERSONAL ASSETS AT RISK

5 WE USE THE SERVICES OF ONE OR MORE FRANCHISE BROKERS OR REFERRAL SOURCES TO ASSIST US IN SELLING OUR FRANCHISE A FRANCHISE BROKER OR REFERRAL SOURCE REPRESENTS US, NOT YOU WE PAY THIS PERSON A FEE FOR SELLING OUR FRANCHISE OR REFERRING YOU TO US YOU SHOULD BE SURE TO DO YOUR OWN INVESTIGATION OF THE FRANCHISE

### THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Information about comparisons of franchisors is available Call the Federal Trade Commission at (202) 326-2222, the state administrators listed on Exhibit C, or your public library for sources of information If you learn that anything in this disclosure document is untrue, contact the Federal Trade Commission listed above and the state administrator listed above

Effective Dates California Renewal to 8-20-14, Florida to 8-14-15 Hawaii Renewal pending, Illinois Renewal to 12-24-14, Indiana to 8-4-15, Michigan to 9-24-14, New York Renewal 12-27-14, North Carolina to 8-4-15, Utah to 7-30-15, Virginia Renewal to 4-11-15 , Washington State Renewal to 2-22-15, Wisconsin to 7-28-15

## TABLE OF CONTENTS

1	THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES	4
2	BUSINESS EXPERIENCE	5
3	LITIGATION	5
4	BANKRUPTCY	6
5	INITIAL FEES	7
6	OTHER FEES	7
7	ESTIMATED INITIAL INVESTMENT	9
8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	11
9	FRANCHISEE'S OBLIGATIONS	13
10	FINANCING	14
11	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	14
12	TERRITORY	21
13	TRADEMARKS	22
14	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	23
15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	23
16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	24
17	RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	24
18	PUBLIC FIGURES	26
19	FINANCIAL PERFORMANCE REPRESENTATIONS	26
20	OUTLETS AND FRANCHISEE INFORMATION	27
21	FINANCIAL STATEMENTS	30
22	CONTRACTS	30
23	RECEIPT	30

## **EXHIBITS**

Exhibit A	Audited Financial Statements as of April 30, 2012, April 30, 2013 and April 30, 2014 and internal unaudited verified information as of September 30, 2014
Exhibit B	Franchise Agreement
Exhibit C	List of Agents for Service of Process and State Administrators
Exhibit D	Letter of Intent
Exhibit E	Listing and contact information of current franchisees
Exhibit F	State Addendum to Franchise Disclosure Document and/or Franchise Agreement (California, Hawaii, Illinois, North Carolina, Virginia, Washington State)
Exhibit G	Separate Security Agreement
Exhibit H	Budget template (optional)

## **ACKNOWLEDGMENTS**

ACKNOWLEDGMENT OF RECEIPT OF FRANCHISE-RELATED DOCUMENTS  
 ACKNOWLEDGMENT OF RECEIPT OF THE BOCONCEPT® FRANCHISE DISCLOSURE DOCUMENT

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