

## FRANCHISE DISCLOSURE DOCUMENT

**BONCHON FRANCHISE LLC**  
**A New York Limited Liability Company**  
**575 8th Ave. Suite #502**  
**New York, NY 10018**  
**(212) 273-9797**  
**www.Bonchon.com**  
**Bonchon@Bonchon.com**



The franchisee will operate one or more Bonchon fast-casual service Restaurants.

The total investment necessary to begin operation of one Bonchon Business is from \$509,484 to \$952,986 (not including real property), including \$55,754 that must be paid to the franchisor or its affiliate. The total investment necessary to begin operation as a franchisee under an Area Development Agreement is from \$52,000 to \$105,000 (assuming, for the low end of the range, 5 and, for the high end of the range, 10 Businesses, although this is not a maximum), including \$50,000 to \$100,000 that must be paid to the franchisor or its affiliate.

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 government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Sungho (Kevin) Choi at 575 8th Ave. Suite #502, New York, NY 10018 and 212-273-9797.

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, DC 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: February 28, 2019

## 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 D 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 AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN NEW YORK, NEW YORK. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE US IN NEW YORK THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT NEW YORK LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. YOU WILL NOT BE GRANTED ANY EXCLUSIVE TERRITORY UNDER THE FRANCHISE AGREEMENT.
4. WHILE THE FRANCHISOR HAS SECURED REGISTRATION OF THE WORD MARK "BONCHON," IT HAS APPLIED AND IS AWAITING REGISTRATION OF ITS DESIGN MARK FOR "BONCHON." AS A RESULT, THE FRANCHISOR DOES NOT HAVE A FEDERAL REGISTRATION WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE (USPTO) FOR ITS "BONCHON" DESIGN MARK. IF AN ALTERNATIVE DESIGN MARK MUST BE ADOPTED AS A RESULT OF THE USPTO NOT REGISTERING THE PENDING DESIGN MARK APPLICATION IT MAY INCREASE YOUR EXPENSES.
5. EACH OWNER OF THE FRANCHISE IS REQUIRED TO EXECUTE A PERSONAL GUARANTEE. DOING SO COULD JEOPARDIZE THE MARITAL ASSETS OF NON-OWNER SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES SUCH AS CALIFORNIA.
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

## STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

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|--------------|--|
| California   |  |
| Hawaii       |  |
| Illinois     |  |
| Indiana      |  |
| Maryland     |  |
| Michigan     |  |
| Minnesota    |  |
| New York     |  |
| North Dakota |  |
| Rhode Island |  |
| South Dakota |  |
| Virginia     |  |
| Washington   |  |
| Wisconsin    |  |

In all other states the effective date of this Franchise Disclosure Document is the Issuance Date of February 28, 2019.

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