

FRANCHISE DISCLOSURE DOCUMENT



Milkcow Franchising, LLC  
a Delaware limited liability company  
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South Korea  
Telephone No. +82-2-6677-2148  
[www.milkcowusa.com](http://www.milkcowusa.com)

The franchise is for the establishment of a point of sale location (the “Store”) that offers premium hand-crafted soft serve ice cream using our proprietary milk mix along with a variety of products (the “Products”) that may include bespoke toppings (including our signature honeycombs and “fairy-floss” along with popcorn, candies, nuts, sunflower seeds, cookies, macarons, seasonal fruits, sea salt and chocolates), syrups, flavors, expresso shots, and related products compatible with our concept.

The total investment necessary to begin operation of a Store is between \$122,700 to \$243,200. This includes an initial franchise fee of \$30,000 to open your first Store which must be paid to the Franchisor.

This disclosure document summarizes certain provisions of your Franchise Agreement and Development Agreement, and any 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.**

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 Matthew Kim, President, at [kate.seo@milkcow.kr](mailto:kate.seo@milkcow.kr) +82-2-6677-2148.

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.

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## 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 G 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 DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY THE USE OF NON-BINDING MEDIATION, BINDING ARBITRATION AND LITIGATION ONLY IN DELAWARE. OUT-OF-STATE MEDIATION, ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH US IN DELAWARE THAN IN YOUR OWN STATE.**
- 2. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATE THAT DELAWARE 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.**
- 3. THE FRANCHISE AGREEMENT REQUIRES YOU TO PAY LIQUIDATED DAMAGES IF YOUR FRANCHISE AGREEMENT IS TERMINATED FOR CAUSE OR IF YOU ABANDON THE FRANCHISE OR IF YOU TERMINATE THE FRANCHISE WITHOUT CAUSE.**
- 4. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT REQUIRE THE INDIVIDUAL OWNERS OF THE FRANCHISEE AND THEIR SPOUSES SIGN A PERSONAL GUARANTY UNDER WHICH THE SPOUSE WILL BE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS OF THE FRANCHISEE WHETHER OR NOT THE SPOUSE IS INVOLVED IN THE OPERATIONS OF THE FRANCHISE. THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF THE FRANCHISE OWNERS AND THEIR SPOUSES AT RISK.**
- 5. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$122,700 TO \$243,200. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDER'S EQUITY OF \$5,085 AS OF JULY 12, 2017.**
- 6. THIS FRANCHISOR IS A DEVELOPMENT STAGE COMPANY WITH LIMITED FRANCHISE OPERATING HISTORY. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE.**

**7. THERE MAY BE OTHER RISK FACTORS CONCERNING THIS FRANCHISE.**

**We may 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.**

**See the following state effective date summary 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/milkcow>