

FRANCHISE DISCLOSURE DOCUMENT

Pada Food Franchise, LLC
 A California Limited Liability Company
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As a Pada Sushi franchisee you will operate a retail kiosk outlet within a designated host supermarket or other large store providing freshly prepared sushi, sashimi and other Asian products to retail customers. The total investment necessary to begin operation of a Pada Sushi outlet is \$78,100 to \$101,350. This includes \$60,000 that must be paid to the franchisor and its affiliates when your franchised outlet opens for business.

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 Ms. Diana Cha at 2491 East Orangethorpe, Fullerton, California 92831, telephone (714) 780-3655.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, such as 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, DC 20580. You can also visit the FTC's homepage 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.

The issuance date is **March 23, 2015, amended April 21, 2015**

CA

ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language, this disclosure document uses "PFF", "we", "us" or "our" to mean Pada Food Franchise, LLC "You" or "your" means the individual or entity buying the Pada Sushi franchise, and (in the case of an entity buying the franchise) all persons owning 20% or more of the franchisee entity ("Principal Equity Owners")

The Franchisor, Parents and Affiliates

We are the franchisor for the Pada Sushi system Our principal and corporate business address is 2491 East Orangethorpe Avenue, Fullerton, California 92831

Our parent entity is Gauge Consulting, Inc ("GCI"), doing business as Pada Sushi GCI's principal business address is also 2491 East Orangethorpe Avenue, Fullerton, California 92831 GCI does not provide products or services to Pada Sushi franchisees and GCI does not offer or sell franchises in any line of business

We are not controlled by, controlling, or under common control with any other entity that provides products or services to Pada Sushi franchisees or offers or sells franchises in any line of business

Predecessors

We have no predecessor

Name Used by the Franchisor

We conduct business under the names "Pada Sushi" and "Pada Food" We do not intend to use any other name to conduct business

Agent for Service of Process

Our agent for service of process in California is the Commissioner of the Department of Business Oversight, 320 West 4th Street, Suite 750, Los Angeles, California 90013

Business Organization Used by the Franchisor

We are a limited liability company organized in California on July 9, 2012

The Franchisor's Business

PFF acts solely as a franchisor of Pada Sushi franchises We do not operate businesses of the type being franchised and we do not engage in other business activities

The Business We Offer

PFF does not directly operate a retail business of the type being franchised PFF does not engage in other business activities

Our franchise is a license to independently own and operate a single food kiosk retail outlet ("Outlet") serving sushi (maki and nigiri), sashimi, hand rolls (temaki), rice bowls (chirashi), Japanese appetizers, using only the freshest components and specified condiments and ingredients (collectively, "Pada Sushi Products"), and other food, beverages and related products to retail customers of the supermarket or other large retail store where your Outlet is located ("Host Store") using proprietary recipes and designated and other authorized equipment, products and techniques and based on our core values of freshness, healthiness and happiness. There is no consumer seating at the kiosk and these customers will take the prepared Pada Sushi Products and purchase them at the Host Store's checkout counters.

General Market for Franchised Products

The general market for Pada Sushi Products includes all individuals and businesses within a reasonable proximity to the Host Store. The market for sushi and other Asian cuisine is developed but is expected to continue to grow. Pada Sushi Products are sold primarily to patrons of the Host Store, but not to a certain group of persons, and the sales are not seasonal.

Applicable Regulations

There is no industry specific regulation you need to comply with or license you will need to have to operate the franchised business. However, you will need a business license and health department clearance and possibly other licenses and permits. You will also have to comply with other local laws and rules applicable to the operation of a sushi restaurant kiosk business.

Competition

All Pada Sushi franchisees will compete with sushi restaurants, Asian restaurants and other retail businesses that offer products comparable to the Pada Sushi Products.

Prior Experience of Franchisor and Affiliates

PFF has been operating since July 2012. We began offering Pada Sushi franchises in September 2013.

Our parent entity GCI set up, owned and operated Pada Sushi kiosks at Albertsons supermarkets between April 2009 and June 2013. In 2011, GCI began selling these Pada Sushi kiosks to independent licensed operators in Southern California. There are currently 34 Pada Sushi kiosks being operated by independent operators inside Albertsons supermarkets in Southern California. The names and addresses of these independent Pada Sushi kiosk operators licensed by GCI to use the Pada Sushi trademarks are listed in Exhibit C to this disclosure document.

GCI currently owns and operates 1 Pada Sushi kiosk at the Albertsons supermarket located at 8440 East Chapman Avenue, Orange, California 92896.

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