

SCHOOL FOOD FRANCHISE, INC
California Corporation

INFORMATION FOR PROSPECTIVE FRANCHISEES

REQUIRED BY FEDERAL TRADE COMMISSION

TO PROTECT YOU, WE HAVE REQUIRED YOUR FRANCHISOR TO GIVE YOU THIS INFORMATION. WE HAVE NOT CHECKED IT AND DO NOT KNOW IF IT IS CORRECT. IT SHOULD HELP YOU MAKE UP YOUR MIND. STUDY IT CAREFULLY. WHILE IT INCLUDES SOME INFORMATION ABOUT YOUR CONTRACT, DO NOT RELY ON IT ALONE TO UNDERSTAND YOUR CONTRACT. READ ALL OF YOUR CONTRACT CAREFULLY. BUYING A FRANCHISE IS A COMPLICATED INVESTMENT. TAKE YOUR TIME TO DECIDE. IF POSSIBLE, SHOW YOUR CONTRACT AND THIS INFORMATION TO AN ADVISOR, LIKE A LAWYER OR AN ACCOUNTANT. IF YOU FIND ANYTHING YOU THINK MAY BE WRONG OR LEFT OUT, YOU SHOULD LET US KNOW ABOUT IT. IT MAY BE AGAINST THE LAW.

THERE MAY ALSO BE LAWS ON FRANCHISING IN YOUR STATE. ASK YOUR STATE AGENCIES ABOUT THEM.

FEDERAL TRADE COMMISSION
WASHINGTON, D C

The effective date of this Disclosure Document is _____, 2015

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 L" 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 THAT ANY ACTIONS OR PROCEEDINGS INSTITUTED BY EITHER PARTY UNDER THIS AGREEMENT, SHALL AT THE OPTION OF FRANCHISOR, BE BROUGHT AND TRIED ONLY IN THE COURTS LOCATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AND FRANCHISEE EXPRESSLY WAIVES ITS RIGHTS UNDER ANY APPLICABLE STATUTE TO CAUSE SUCH ACTIONS OR PROCEEDINGS TO BE BROUGHT OR TRIED ELSEWHERE
- 2 THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA 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 YOUR BUSINESS MAY DECLINE WHEN THERE IS BAD PUBLICITY ABOUT THE TYPES OF SERVICE AND PRODUCTS WE PROVIDE and/or ANOTHER RESTAURANT IN OUR SYSTEM, OR EVEN A COMPETING RESTAURANT OR SYSTEM, SUCH AS PUBLICITY REGARDING A CRIME, INJURY OR OTHER MISFORTUNE AT ANY SUCH RESTAURANTS YOUR BUSINESS WILL BE AFFECTED BY CHANGES IN CONSUMER PREFERENCES, DEMOGRAPHIC PATTERNS, CHARACTER OF THE AREA WHERE YOUR RESTAURANT IS LOCATED, WEATHER, COMPETITION, INFLATION, RECESSION, FOOD COSTS, COST OF MOTOR FUELS, GOVERNMENT REGULATIONS LIKE HEALTH CODES, ZONING, WAGE AND PRICE CONTROLS, EMPLOYMENT AND WAGE LEVELS, AND INCREASES IN OTHER OPERATING COSTS THERE MAY BE OTHER RISKS CONCERNING THE FRANCHISE
- 4 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

FRANCHISE DISCLOSURE DOCUMENT

SCHOOL FOOD FRANCHISE, INC
California Corporation
621 S Western
Avenue #401
Los Angeles, CA 90005
Telephone (213) 380-3663
www.schoolfoodusa.com



The franchise is for a restaurant featuring culturally specialized Korean “street style” food and a variety of related items. A prospective franchisee may choose either to purchase (1) a full size “SCHOOL FOOD” franchise or (2) a scaled down “MINI SCHOOL FOOD” franchise. A SCHOOL FOOD franchise is a restaurant offering full scale menu while a MINI SCHOOL FOOD franchise will offer limited menu.

The total investment necessary to begin operation of a SCHOOL FOOD franchise is estimated to be between the range of \$219,000 and \$700,000. The total investment necessary to begin operation of a MINI SCHOOL FOOD franchise is estimated to be between the range of \$164,000 and \$672,000. These amounts include franchise fees of \$50,000 for a SCHOOL FOOD franchise and \$40,000 for a MINI SCHOOL FOOD franchise that must be paid to the franchisor or affiliate. These amounts exceed the Franchisor’s stockholders equity as of December 31, 2012, which is \$12,379.00.

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

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