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Department of Business Oversight
Los Angeles Office

considerations paid to us from any suppliers of services or products, and we have no revenues derived from such payments

We presently have no plans to sell any required purchases to franchisees. Our affiliate, The Born America, Inc. ("TBA Inc."), will serve as the supplier of sauces to all Restaurants. For the fiscal year ended December 31, 2016~~5~~, TBA Inc. had a total revenue of ~~\$97,893~~^{\$50,160} 00 from the sales of sauces to an authorized distributor, which makes up 100% of its revenues. We estimate that the required purchases bought from this company will represent approximately 15-20% of your overall purchases in operating your store.

Estimated Proportion of Required Purchases

We estimate that your purchases from approved suppliers, from suppliers that we designate, and otherwise under our standards will be about 70% of the total purchases and lease of products and services needed to establish the Restaurant and about 75% of the total purchases and leases of products and services needed to operate a Restaurant.

Additional Disclosures re Purchasing Arrangements

No other purchasing or distribution cooperative arrangements exist at this time. We will notify you of changes we make to our purchasing programs and any new purchasing arrangements that we offer franchisees by written bulletins or supplements to the Operations Manual.

Although we are not required to, we do, on occasion, negotiate purchase arrangements with various suppliers, including equipment and food product manufacturers, some of which operate on a large-scale basis. The negotiated purchasing arrangements may include special contract pricing and volume discounts that result in lower prices than regular wholesale and/or retail prices. These benefits are typically passed on to our franchisees. There can be no assurance that special pricing or terms will be available, any negotiated arrangements may be discontinued at any time.

We provide you with no material benefits (like renewal or granting additional franchises) based on your use of designated or approved sources.

ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

ITEM 18 PUBLIC FIGURES

We do not use any public figure to promote our franchises

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about actual or potential financial performance of its franchised and/or franchiser-owned outlets, if there is a reasonable basis for the information, and the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if (1) a franchisor provides the actual records of an existing outlet you are considering buying, or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned, affiliate-owned or franchised Restaurants. We do not authorize our employees or representatives to make any such representations either orally or in writing. But if you are purchasing an existing Restaurant from us or an affiliate of ours, we may provide you the actual records of that Restaurant. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Mr. Hyun Jong Kim, President of Noodle J-1, Inc. at 3470 W 6th Street, #11, Los Angeles, California 90020, (213) 389-0410, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Item 20(1) Table
Systemwide Outlet Summary
For years 2014~~3~~ to 2016~~5~~

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014 3	0	<u>50</u>	<u>+50</u>
	2015 4	<u>50</u>	<u>65</u>	<u>+15</u>

	201 <u>6</u> 5	<u>6</u> 5	<u>9</u> 6	+ <u>3</u> 4
Company or Affiliate- Owned	201 <u>4</u> 3	0	<u>1</u> 0	+ <u>1</u> 0
	201 <u>5</u> 4	<u>1</u> 0	1	<u>0</u> +1
	201 <u>6</u> 5	1	<u>1</u> 0	0
Total Outlets	201 <u>4</u> 3	0	<u>6</u> 0	+ <u>6</u> 0
	201 <u>5</u> 4	<u>6</u> 0	<u>7</u> 6	+ <u>1</u> 6
	201 <u>6</u> 5	<u>7</u> 6	<u>1</u> 0 <u>7</u>	+ <u>3</u> 4

Item 20(2) Table –
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 20143 to 20165

State	Year	Number of Transfers
California	201 <u>4</u> 3	0
	201 <u>5</u> 4	0
	201 <u>6</u> 5	0
Total	201 <u>4</u> 3	0
	201 <u>5</u> 4	0
	201 <u>6</u> 5	0

Item 20(3) Table –
Status of Franchised Outlets
For years 20143 to 20165

State	Year	Outlets at Start of Year	Outlet Opened	Termi- nation	Non- Renewal	Re- acquired by Franchi- sor	Ceased Opera- tions- Other Reasons	Outlets at the end of Year
CA	201 <u>4</u> 3	0	<u>5</u> 0	0	0	0	0	<u>5</u> 0
	201 <u>5</u> 4	<u>5</u> 0	<u>0</u> 5	0	0	0	0	5
	201 <u>6</u> 5	5	<u>2</u> 0	0	0	0	0	<u>7</u> 5
TX	201 <u>4</u> 3	0	<u>1</u> 0	0	0	0	0	<u>1</u> 0
	201 <u>5</u> 4	<u>1</u> 0	<u>0</u> 4	0	0	0	0	1

	2016 5	<u>10</u>	0	0	0	0	0	1
IL	2014 3	0	0	0	0	0	0	0
	2015 4	0	<u>10</u>	0	0	0	0	<u>10</u>
	2016 5	<u>10</u>	<u>04</u>	0	0	0	0	1
NY	2014	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2015	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2016	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Totals	2014 3	0	<u>60</u>	0	0	0	0	<u>60</u>
	2015 4	<u>60</u>	<u>16</u>	0	0	0	0	<u>76</u>
	2016 5	<u>70</u>	<u>34</u>	0	0	0	0	<u>107</u>

Item 20(4) Table –
Status of Company or Affiliate Owned Outlets
For years 20143 to 20165

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at the end of Year
CA	20143	0	<u>10</u>	0	0	0	<u>10</u>
	20154	<u>10</u>	<u>04</u>	0	0	0	1
	20165	<u>10</u>	0	0	0	0	1
Totals	20143	0	<u>10</u>	0	0	0	<u>10</u>
	20154	<u>10</u>	<u>04</u>	0	0	0	1
	20165	<u>10</u>	0	0	0	0	1

Item 20(5) Table –
Projected Openings As of Dec 31, 20176

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company- Owned Outlets In The Next
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			Fiscal Year
California	<u>03</u>	<u>02</u>	0
Virginia	<u>1</u>	<u>1</u>	<u>0</u>
Texas	<u>1</u>	<u>1</u>	<u>0</u>
Arizona	<u>1</u>	<u>1</u>	<u>0</u>
Total	3	<u>32</u>	0

If you buy a Paik's Noodle franchise, your contact information may be disclosed to other buyers when you leave the franchise system. Attached to this Franchise Disclosure Document as Exhibit E is a list of names of all current franchisees and the address and telephone number of each of their outlets. Exhibit F provides a list of name, city and state, and the last known telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business during the most recently completed fiscal year or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date.

As a standard practice, when we enter into a Termination and Release Agreement with a former franchisee, we require the former franchisee to agree to maintain all information that the former franchisee has about us confidential. In some instances current and former franchisees sign provisions restricting their ability to speak openly about their experiences with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There are no independent trademark specific franchisee organizations for Paik's Noodle brand.

ITEM 21 FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit G is our combined audited financial statements as of December 31, 2014~~3~~ and December 31, 2015~~4~~ and December 31, 2016~~5~~. Our fiscal year end is December 31st.

ITEM 22 CONTRACTS

All agreements proposed for use in this State are attached to this Franchise Disclosure

Document as follows

EXHIBIT C - Franchise Agreement

ITEM 23
RECEIPT

The last page of this Disclosure Document contains a detachable Receipt form which you must date, sign, and return to us immediately upon your receipt of this Disclosure