

Enterprises, Inc does not offer to sell or sell any WaBa Grill franchises Commerce Consulting Group, LLC, our affiliate, is an approved supplier of our proprietary sauces and certain restaurant supplies that are sold to WaBa Grill franchisees Commerce Consulting Group, LLC does not offer to sell or sell any WaBa Grill franchises

We have no other business activities and have not offered franchises in other lines of business

There are no regulations that apply specifically to the industry in which WaBa Grill Restaurants operate However, in addition to laws and regulations that apply to businesses generally, your franchised business will be subject to various federal, state and local government regulations, including those relating to site location and building construction You are advised to investigate the laws, regulations and ordinances applicable to your franchised business further

ITEM 2 BUSINESS EXPERIENCE

President and CFO Kyle Lee

Kyle H Lee, one of our founders, has been the Secretary and Treasurer since we were incorporated in December 2008 In addition, he has been Secretary and Treasurer of our parent corporation, BKE Enterprises, Inc , in Commerce, California since November 2004

Secretary Woo S Ham

Woo S Ham, also one of our founders, has been the Vice President since we were incorporated in December 2008 In addition, he serves as the President of our parent corporation, BKE Enterprises, Inc , in Commerce, California

Director Eric S Lee

Eric S Lee is a Director of our company since December 2008, and has served as our President since December 2008 until January 2017 He is also one of our founders He also has served as a director of our parent corporation, BKE Enterprises, Inc , in Commerce, California since July 2004

Corporate Controller Ethan Le

Ethan Le has been the Corporate Controller since June 2016 Before joining us, Mr Le served as the Corporate Accounting Manager of Port Logistics Group in City of Industry, California from December 2015 to June 2016 From February 2014 to December 2015, he was the Assistant Corporate Controller of Universal Molding Company in Downey, California From June 2007 to January 2014, he was the Accounting Manager of American Dawn Inc in Compton, California

Director of Franchise Development Steven Wang

Steven Wang has been with us since May 2014 and currently serves as our Director of Franchise Development From August 2011 to May 2014, Mr Wang served as a Senior Project Manager for JR Stevens, Inc in San Marino, CA

ITEM 3 LITIGATION

Litigation Involving WaBa Grill and Eric Lee

Virginia State Corporation Commission v Waba Grill Franchise Corporation and Eric Lee (Case No SEC-2014-00052) Virginia State Corporation Commission alleged that WaBa Grill and Eric Lee engaged in an unregistered franchise sale in violation of the Virginia Retail Franchising Act ("Act") Franchise Investment Protection Act WaBa Grill and Eric Lee denied any violation of Virginia's franchise law, citing that the franchise agreement was signed after WaBa Grill became duly registered to franchise in Virginia and that the franchisee made their own decision to commence the business of the restaurant prior to signing the franchise agreement On January 9, 2015, without admitting or denying the allegations made against them, WaBa Grill and Eric Lee entered into a settlement agreement with the Commission to pay a monetary penalty of \$2,000 and \$1,000 to defray the Commission's costs of investigation

Other than the litigation disclosed in this Item 3, there is no litigation to disclose in this Franchise Disclosure Document

ITEM 4 BANKRUPTCY

No person previously identified in Item 1 or 2 of this Franchise Disclosure Document has been involved as a debtor in proceedings under the United States Bankruptcy Code required to be disclosed in this Item

ITEM 5 INITIAL FRANCHISE FEE

Franchise Agreement

You must pay a uniform initial franchise fee of \$30,000 ("Initial Franchise Fee") The Initial Franchise Fee is paid in a lump sum when you sign the Franchise Agreement and is non-refundable The sum of \$30,000 is payable by all franchisees who buy a franchise The Initial Franchise Fee will be reduced to \$25,000 for your second and any additional WaBa Grill Restaurants

We use the initial franchise fee to cover the costs of evaluating your proposed site, training you and your employees, and helping you develop and open your WaBa Grill Restaurant There is no