



## FRANCHISE DISCLOSURE DOCUMENT

Hana Group Franchising, LLC d/b/a  
Genji Franchising, LLC  
A Delaware limited liability company  
6390 Hedgewood Drive, Suite 300  
Allentown, PA 18106  
Tel (267) 264-2345  
franchise@hanagroup.eu  
<https://franchise.hanagroup.eu>

The franchisee will operate a Genji sushi bar specializing in pre-packaged and made-to-order sushi, Japanese food, soups, hot and cold rice, hot and cold noodle bowls, hot and cold vegetable bowls and other food items. The franchisee may be given the opportunity to operate one or more Genji satellite sushi bars. Genji sushi bars and Genji satellite sushi bars are located within retail locations operated by third-party operators.

The total investment necessary to begin operation of a new Genji sushi bar is from \$42,170 to \$133,500. This includes between \$13,470 and \$49,500 that must be paid to the franchisor or an affiliate. The total investment necessary to begin operation of a new Genji satellite sushi bar is from \$5,900 to \$25,500. This includes between \$4,150 and \$20,000 that must be paid to the franchisor or an affiliate.

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.**

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 Reeta Ale Magar, 6390 Hedgewood Drive, Suite 300, Allentown, PA 18106, telephone number (267) 264-2345.

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](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.  
Issuance date: October 16, 2024.

## Special Risks to Consider About This Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation and/or litigation only in the Commonwealth of Pennsylvania. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in the Commonwealth of Pennsylvania than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
4. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

Certain states may require other risks to be highlighted. If so check the "State Specific Addenda" pages for your state.

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franchises to those who are interested in opening a single Genji Sushi Bar. In some instances, we may sell to you a franchise for a Genji Sushi Bar that we or an affiliate is then operating.

We may offer to you the right to or require that you operate one or more Genji Satellite Sushi Bars located within a forty (40) mile radius of your Genji Sushi Bar. The Products for your Genji Satellite Sushi Bar are prepared on-site at your Genji Sushi Bar and delivered by you to your Genji Satellite Sushi Bar. You may not operate a Genji Satellite Sushi Bar without operating a Genji Sushi Bar. You will be required to sign an amendment to your Franchise Agreement for each Genji Sushi Satellite Bar you operate. If your Franchise Agreement is terminated or expires, you will no longer have the right to operate a Genji Sushi Bar and/or Genji Satellite Sushi Bars under that agreement.

We enter into a vendor license agreement or similar agreement (a “Vendor Agreement”) with each Retail Operator that gives us or our designee the right to operate a Genji Sushi Bar or a Genji Satellite Sushi Bar in a Retail Location. We will negotiate the terms of a Vendor Agreement with a Retail Operator before offering a franchise to you. You will not enter into a lease or any other agreement with a Retail Operator. You are not a third-party beneficiary of the Vendor Agreement. Your Franchise Agreement will give you the right to operate a Genji Sushi Bar in a specific Retail Location. The Franchise Agreement will require that you comply with the requirements of the Vendor Agreement and the Retail Operator at all times. Your right to operate a Franchised Business (defined below) is conditioned upon the right to operate a Genji Sushi Bar at the Retail Location. If for any reason, the Vendor Agreement for the Retail Location for your Genji Sushi Bar expires or is terminated, we may terminate your Franchise Agreement. We will not compensate you for the loss of the right to operate a Genji Sushi Bar at that Retail Location and we do not guaranty, warrant or promise that we will find you another Retail Location for the operation of a Genji Sushi Bar.

The terms and conditions of the Vendor Agreement you will be expected to comply with are generally consistent with your obligations under your Franchise Agreement and the Confidential Operating Manual, and include, generally, adherence to our signage and display requirements, properly disposing of unsold Products and Product ingredients, following Retail Operator’s recall procedures with respect to any required recall of Products, the requirement to operate your Mai Sushi Bar and, if applicable, Mai Satellite Sushi Bar during stated, agreed-upon hours and to appropriately stock your Mai Sushi Bar and, if applicable, Mai Satellite Sushi Bar during such operating hours with the proper mix and quantity of Products (prepared in accordance with Franchisor’s specifications), consistent with our System standards, compliance with applicable law and permitting requirements necessary under applicable laws for the operation of your Mai Sushi Bar and, if applicable, Mai Satellite Sushi Bar, cooperate with Retail Operator to establish a retail pricing strategy for the Products, compliance with Retail Operator’s requirement to relocate your Mai Sushi Bar or Mai Satellite Sushi Bar within a Retail Location (~~see Item 12 for additional information regarding relocation requirements~~), be responsible for any damage caused to Retail Operator’s property at the Retail Location as a result of your negligence, misuse or abuse, to use only Retail Operator-approved contractors for any needed repair, maintenance and replacement of any trade fixtures, furniture, equipment and personal property of your Franchised Business located at the Retail Location, and to generally follow the reasonable rules, regulations and restrictions for the Retail Location applicable to you, consistent with the Retail Operator’s normal store operating procedures and policies.

Under the terms of the Vendor Agreement, the Retail Operator will retain a percentage of your Gross Sales made on its registers as its Retail Commission. The Retail Commission rate varies by Retail

Operator and Retail Location but it typically ranges between twenty percent (20%) and ~~twenty-eight~~thirty percent (~~28~~30%) of Gross Sales, which will be deducted from your Gross Sales. The Retail Commission rate shall not exceed ~~twenty-eight~~thirty percent (~~28~~30%). After the Retail Operator retains its Retail Commission, it will remit the balance of the Gross Sales to us, which we will then pay to you, after deducting our Royalty from that amount. ~~See Item 6, Note 2 for additional information regarding the determination and payment of Gross Sales, Retail Commissions and Royalties.~~

Upon your request, we will make available to you a copy of the Vendor Agreement specific to the Retail Location where your Genji Sushi Bar will be located and provide you with a sufficient opportunity to review the Vendor Agreement and ask us questions regarding the Vendor Agreement prior to you signing your Franchise Agreement.

Genji Sushi Bars and Genji Satellite Sushi Bars use a comprehensive business system described in this disclosure document (the “System”) and operate under the Principal Trademarks (defined below) (collectively the “Franchised Business”). The System is characterized by: a unique layout; a special selection of Products which are prepared by using our procedures, recipes and preparations (which may be changed from time to time); our designated methods for operation; training program; unique trade dress (including color schemes, patterns, design, décor and layout); and marketing and promotional programs and materials. We may change the System or any part of it from time to time.

A typical Genji Sushi Bar occupies between approximately 400 to 800 square feet within a Retail Location plus additional shared space with the Retail Operator. A typical Genji Satellite Sushi Bar occupies between approximately 3 to 12 linear feet within a cold food display case and/or merchandising case within a Retail Location.

### **Market Condition:**

The market for sushi, Japanese food and other Products offered by the Franchised Business is highly competitive. There is also significant competition for locating and placing food vending businesses within Retail Locations. Your competition may include other food outlets located within Retail Locations, national, regional or local sushi bars, Japanese restaurants, other restaurants as well as supermarkets, grocery stores or other businesses that offer prepared food products. Your Franchised Business may be further affected by seasonal concerns such as weather conditions, changes in seasonal traffic and other business conditions.

### **Industry Specific Regulations:**

In addition to laws and regulations that apply to businesses generally, your Franchised Business will be subject to federal, state and local health and safety inspection authorities which govern the handling of food, temperatures and other health considerations. Federal laws and regulations impose specific requirements on the handling of fresh fish products under the Hazard Analysis Critical Control Points (HACCP) program. You, your Operating Principal and all of your employees must complete a ServSafe training program. Each Genji Sushi Bar is required to have at least one ServSafe certified person on duty at all times. Federal law also requires chain retail food establishments with more than twenty locations to disclose the number of calories of each standard menu item on the menu and menu boards, make additional written nutritional information available to customers on request and provide a statement on menu boards about the availability of additional information. In some states, municipalities

unlikely at this time that such permission will be granted, except for Social Media Platforms. You may not use the Principal Trademarks or other proprietary information on the Internet other than as provided in the Franchise Agreement.

### **Insurance Coverage:**

Before you open your Franchised Business, you must obtain insurance coverage for your Franchised Business. This insurance coverage must be maintained during the term of the Franchise Agreement and must be obtained from a responsible carrier or carriers rated “A” or better by A.M. Best & Company, Inc. and be approved by us.

### **Insurance Coverage:**

Before you open your Franchised Business, you must obtain insurance coverage for your Franchised Business. This insurance coverage must be maintained during the term of the Franchise Agreement and must be obtained from a responsible carrier or carriers rated “A” or better by A.M. Best & Company, Inc. and be approved by us.

1. Employer's liability and worker's compensation as prescribed by law in the state in which the Genji Sushi Bar is located;
2. Commercial general liability insurance providing coverage on an occurrence form basis with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage combined; \$2,000,000 annual general aggregate and \$1,000,000 products and completed operations annual aggregate;
3. An “umbrella” policy providing per occurrence coverage limits of not less than \$1,000,000 with appurtenant structures up to \$50,000 and annual aggregate limits of not less than \$3,000,000;
4. Crime (inside/outside money and securities) and employee dishonesty insurance with minimum per occurrence coverage of \$10,000;
5. Business interruption insurance to cover your loss of revenues and ongoing expenses and to cover any amounts due and owing to us under the Franchise Agreement (including, in the case of a casualty or loss, royalties and other fees we would have received had the casualty or loss not occurred – based upon the average of the royalties owed by all franchisees for that sales period) or any other agreement between you and us or our affiliates, in an amount not less than the actual loss resulting from an interruption of business, for a minimum of twelve (12) months;
6. Employment practices liability insurance covering claims made by your employees or potential employees including, but not limited to discrimination, wrongful termination, sexual harassment and other employment related claims; and
7. Any insurance required by law in the state or locality in which your Franchised Business will operate.

In the event that you operate a Genji Satellite Sushi Bar, you will also be required to obtain automobile liability coverage, including coverage of owned, non-owned and hired vehicles with coverage in amounts not less than \$1,000,000 with combined single limits of \$500,000 per occurrence for bodily injury and property damage.

You may with our prior written consent, elect to have reasonable deductibles under the coverage required above. All of the policies must name us, our affiliates and the respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional insureds and must include a waiver of subrogation in favor of all parties.

You must provide us with written proof of your purchase of the above required insurance policies no later than the business day before you open your Franchised Business. You must provide us with written proof of your continued insurance coverage no later than thirty (30) days before the expiration of your insurance policies. In the event that you fail to purchase or maintain the required insurance policies, we may in our sole discretion pay for the required insurance policies for you and charge you for reimbursement of our expenditures. The insurance purchased by you will in no way be limited by any insurance policy or policies we may maintain.

We may in our sole discretion, revise our insurance requirements for franchisees. We may in our sole discretion, require you to obtain additional or different insurance policies in accordance with our then-current insurance requirements for franchisees.

You may not reduce any insurance limit, restrict any insurance coverage or cancel any insurance policy without our written consent. You may alter, amend or upgrade any insurance policy without our written consent provided that you maintain the minimum insurance required and you provide us with notice of such alteration, amendment or upgrade to the insurance coverage upon the issuance of such insurance.

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If you employ managers, your managers must be reasonably qualified to run an operation of this nature as determined in our sole discretion, but need not be an equity Owner of the Franchisee if the Franchisee is an entity.

We require that you appoint an Operating Principal who will serve as the principal contact with us. The Operating Principal will be the only individual that we will deal directly with and whose instructions and/or directions we will address. You may not replace the Operating Principal without our prior written consent.

The Franchisee or if the Franchisee is an entity, each shareholder, partner or member must sign a confidentiality and non-competition agreement (Exhibit 5 to the Franchise Agreement). If you are an entity, each shareholder, partner or member and their respective spouses must personally guarantee your obligations under the Franchise Agreement and also agree to be personally bound by, and personally liable for any breach of the Franchise Agreement. This guarantee is included as Exhibit 7 to the Franchise Agreement. If you are a natural person, we ~~typically~~ will not require your spouse who is not a party to the Franchise Agreement to personally guarantee your obligations under the Franchise Agreement.

You must have each employee or independent contractor sign a confidentiality agreement (Exhibit 6 to the Franchise Agreement) before you grant access to the Confidential Operating Manual or any other confidential information in which he/she agrees to the confidentiality of the information, agrees not to use any information for his/her own benefit and agrees not to compete.

#### **ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must offer and sell all Products and services that we periodically require as described herein, in the Franchise Agreement and as may be supplemented. You may not offer and sell any Products and/or services that we have not specifically authorized. You must not deviate from our standards and specifications without our prior written consent. You will not engage in any activities that divert any business or customers to non-affiliated locations, including those owned by you. We may periodically eliminate certain Products and/or services, or add additional Products and/or services, in either case in our sole discretion and without the necessity of further notice to you. You must use your Genji Sushi Bar or Genji Satellite Sushi Bar solely for the operation of your Franchised Business, and you may only solicit sales and orders, fulfill orders, and prepare and sell Products from your Genji Sushi Bar or Genji Satellite Sushi Bar. You will not use your Genji Sushi Bar or Genji Satellite Sushi Bar for the sale or displaying of any items that promote illegal activity or any other product or service that we decide in our sole discretion may offend an appreciable segment of the public or may adversely affect the public's acceptance, favorable reputation or extensive goodwill associated with the Genji name, brands and Principal Trademarks.

You may only sell Products to customers at your Genji Sushi Bar or Genji Satellite Sushi Bar. You may not provide delivery services or offer for sale or sell any Products through channels of distribution other than through your Genji Sushi Bar or Genji Satellite Sushi Bar.

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**FRANCHISE AGREEMENT  
EXHIBIT 9**

**FRANCHISE COMPLIANCE CERTIFICATION**

Do not sign this Compliance Certification if you are a resident of California or the business is to be operated in California.

Do not sign this Compliance Certification if you are a resident of Maryland or the business is to be operated in Maryland.

Do not sign this Compliance Certification if you are a resident of the State of Washington or the business is to be operated in the State of Washington.

As Franchisee knows, Hana Group Franchising, LLC d/b/a Genji Franchising, LLC (the “**Franchisor**”) and Franchisee are preparing to enter into a Franchise Agreement for the establishment and operation of a Genji franchised business (the “**Franchised Business**”). Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. I had my first face-to-face meeting with one of Franchisor’s representatives on \_\_\_\_\_, 20\_\_.
2. Has Franchisee received and personally reviewed the Franchise Agreement and if applicable, each Addendum and related agreement attached thereto?  
Yes \_\_\_\_\_ No \_\_\_\_\_

3. Does Franchisee understand all of the information contained in the Franchise Agreement and each Addendum and related agreement provided to Franchisee?  
Yes \_\_\_\_\_ No \_\_\_\_\_

If no, what parts of the Franchise Agreement, Addendum and/or related agreement does Franchisee not understand? (Attach additional pages, as needed.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Have Franchisee received and personally reviewed Franchisor’s Franchise Disclosure Document (“FDD”) that was provided to Franchisee?  
Yes \_\_\_\_\_ No \_\_\_\_\_
5. Did Franchisee sign a receipt for the FDD indicating the date Franchisee received it?  
Yes \_\_\_\_\_ No \_\_\_\_\_

**AMENDMENT TO THE HANA GROUP FRANCHISING, LLC d/b/a Genji Franchising, LLC  
FRANCHISE AGREEMENT  
FOR THE STATE OF CALIFORNIA**

The Franchise Agreement between \_\_\_\_\_ (“Franchisee”) and Hana Group Franchising, LLC d/b/a Mai Franchising, LLC (“Franchisor”) dated \_\_\_\_\_, 20\_\_\_\_ (the “Agreement”), shall be amended and superseded by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**CALIFORNIA LAW MODIFICATIONS**

1. [The Department of Financial Protection and Innovation has determined that we, the Franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.](#)

2. ~~1.~~—The Agreement and the forms of Confidentiality, Non-Use and Non-Competition Agreements attached thereto as Exhibits 5 and 6 (the “Restrictive Covenant Agreements”) are hereby amended to delete Section 8.1(c)(2) of the Agreement and Section 3(c)(2) of the Restrictive Covenant Agreements, which contain restrictions on the solicitation for employment of any current or former employee of franchisor, its affiliates, or other franchisees.

3. [The Agreement is hereby amended to delete Section 25.2 \(Franchisee’s Acknowledgements\) in its entirety.](#)

4. ~~2.~~—The Agreement is hereby amended to delete the first sentence of Section 13.2(b) and ~~13.4(1)~~ 13.4(1) of the Agreement, which provides that the franchisor may terminate the Agreement by written notice of termination to you in the event you are no longer permitted by the Retail Operator to operate a Genji Sushi Bar at the Retail Location. In the unanticipated event a Vendor Agreement is terminated by a Retail Operator prior to the end of the term of the Agreement, franchisor will work in good faith with the affected franchisee to find a suitable replacement location to enable the franchisee to continue to operate its Genji Sushi Bar or reach a mutual agreement with the franchisee to conclude the franchise relationship in good faith, which would include complying with the requirements under Cal. Bus. & Prof. Code § 20022 to buy back, at the value of price paid, minus depreciation, all inventory, supplies, equipment, fixtures, and furnishings purchased or paid for under the terms of the Agreement or any ancillary or collateral agreement by the franchisee.

5. ~~3.~~—The California Department of Business Oversight requires that certain provisions contained in the franchise documents for franchises offered or sold to either a resident of the State of California or non-resident who will be operating a franchise in the State of California be amended to be consistent with California law, including the California Franchise Investment Law §§ 31000 through 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 through 20043 (collectively the “Acts”). To the extent that the

Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended and superseded:

a. The Acts provide rights to Franchisee concerning non-renewal and termination of the Agreement. The Federal Bankruptcy Code (11 U.S.C. §101 et seq.) also provides rights to Franchisee concerning termination of the Agreement upon certain bankruptcy-related events. To the extent the Agreement contains a provision that is inconsistent with these laws, these laws will control.

b. If the Franchisee is required in the Agreement to execute a release of claims, such release shall exclude claims arising under the Acts. California Corporations Code 31512 voids a waiver of Franchisee's rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of Franchisee's rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

c. If the Agreement requires payment of liquidated damages that is inconsistent with California Civil Code Section 1671, the liquidated damage clause may be unenforceable.

d. If the Agreement contains a covenant not to compete which extend beyond the expiration or termination of the Agreement, the covenant may be unenforceable under California law.

e. If the Agreement requires litigation, arbitration, or mediation to be conducted in a forum other than the State of California, the requirement may be unenforceable under California law.

f. If the Agreement requires that it be governed by a state's law, other than the State of California, such requirement may be unenforceable.

g. No statement, questionnaire, or acknowledgment signed or agreed to by Franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

h. For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere.

A. For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

B. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a

lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

**AMENDMENT TO HANA GROUP FRANCHISING, LLC d/b/a Genji Franchising, LLC  
FRANCHISE AGREEMENT  
FOR THE STATE OF ILLINOIS**

The Franchise Agreement between \_\_\_\_\_ (“Franchisee”) and Hana Group Franchising, LLC d/b/a Genji Franchising, LLC (“Franchisor”) dated \_\_\_\_, 20\_\_ (the “Agreement”), shall be amended and superseded by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

**ILLINOIS LAW MODIFICATIONS**

1. Payment of initial franchise fees will be deferred until Franchisor has met its initial obligations to Franchisee, and Franchisee has commenced business operations. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial condition.
2. ~~1.~~ Illinois law governs the Franchise Agreement.
3. ~~2.~~ In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
4. ~~3.~~ Franchisees' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
5. ~~4.~~ In conformance with section 41 of the Illinois Franchise Disclosure Act any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
6. ~~5.~~ No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**AMENDMENT TO HANA GROUP FRANCHISING, LLC d/b/a Genji Franchising, LLC  
FRANCHISE AGREEMENT**

**FOR THE STATE OF MARYLAND**

This will serve as the State Addendum for the State of Maryland for Hana Group Franchising, LLC d/b/a Genji Franchising, LLC's Franchise Agreement. The amendments to the Franchise Agreement included in this Addendum have been agreed to by the parties.

1. The provision contained in the termination sections of the Franchise Agreement may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

2. The appropriate sections of the Franchise Agreement are hereby amended to reflect that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. The Franchise Agreement is hereby amended to add the following sentence: "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

4. The appropriate sections of the Franchise Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. The Franchise Agreement is hereby amended to provide the following sentence: "A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

6. The registered agent authorized to receive process in Maryland is the Maryland Securities Commissioner, 200 St. Paul Place, Baltimore, Maryland 21202-2020.

7. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement and the Satellite Amendment (if a Satellite Amendment is entered into in connection with the Franchise Agreement).

8. ~~7.~~ Section 25.2 of the Franchise Agreement (Franchisee's Acknowledgements) is hereby deleted.

9. ~~8.~~ No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**AMENDMENT TO HANA GROUP FRANCHISING, LLC d/b/a Genji Franchising, LLC  
FRANCHISE AGREEMENT**

**FOR THE STATE OF MINNESOTA**

This addendum to the Disclosure Document effectively amends and revises said Disclosure Document and Franchise Agreement as follows:

1. Items 5 and 7 of the Disclosure Document and the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“Payment of initial franchise fees will be deferred until Franchisee’s Franchised Business opens.”

2. ~~1~~-Item 13 of the Disclosure Document and the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.”

3. ~~2~~-Item 17 of the Disclosure Document and the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Stat. Sec. 80c.14, Subd.3, 4 and 5 require, except in certain specified cases, that (i) Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Franchise Agreement, and (ii) Franchisor’s consent to renew the Franchised Business will not be unreasonably withheld.”

4. ~~3~~-Item 17 of the Disclosure Document and the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document or agreements can abrogate or reduce (i) any of Franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or (ii) Franchisee’s rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.”

5. ~~4~~-Item 17 of the Disclosure Document and the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400(D) prohibits Franchisor from requiring Franchisee to assent to a general release.”

6. ~~5.~~ Pursuant to Minn. Rule 2860.4400(J), Franchisee cannot consent to Franchisor obtaining injunctive relief, but Franchisor may seek injunctive relief. Also, a court will determine if a bond is required.

7. ~~6.~~ The Franchise Agreement is hereby amended to comply with Minn. Stat. Sec. 80C.17, Subd. 5 regarding Limitations of Claims.

8. ~~7.~~ No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its equity owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound by it. The parties have duly executed and delivered this Amendment to the Agreement on \_\_\_\_\_, 20\_\_\_\_.

FRANCHISEE: \_\_\_\_\_

BY: \_\_\_\_\_

NAME: \_

TITLE: \_

HANA GROUP FRANCHISING, LLC d/b/a Genji Franchising, LLC

BY: \_\_\_\_\_

NAME:

TITLE:

**AMENDMENT TO HANA GROUP FRANCHISING, LLC d/b/a Genji Franchising, LLC  
FRANCHISE AGREEMENT**

**FOR THE STATE OF WASHINGTON**

The Franchise Agreement between \_\_\_\_\_ and HANA GROUP FRANCHISING, LLC d/b/a Genji Franchising, LLC, dated \_\_\_\_\_, 20\_\_ (the “Agreement”), shall be amended and superseded by the addition of the following language, which shall be considered an integral part of the Agreement:

1. In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

2. ~~1.~~ Section 2.3(c) of the Agreement provides that the Retail Operator may have the right to require that your Genji Sushi Bar or Genji Satellite Sushi Bar be relocated to another area located within the Retail Location, at your sole cost and expense, and franchisor is not obligated to compensate you or reimburse you for any costs or expenses associated with such relocation. This provision is hereby amended to provide that in connection with any relocation of your Genji Sushi Bar or Genji Satellite Sushi Bar within the Retail Location, franchisor shall provide you with reasonable assistance in connection with any such relocation and reimburse you for your reasonable, documented out-of-pocket costs and expenses associated with any such relocation.

3. ~~2.~~ Section 13.2(b) of the Agreement and Section 3(b) of the Satellite Amendment attached as Exhibit 3 of the Agreement (the “Satellite Amendment”) is hereby amended to provide that the franchisor may only terminate a Satellite Amendment for good cause following written notice to the franchisee, which shall include the lawful termination of the Agreement.

4. ~~3.~~ The Agreement is hereby amended to delete the first sentence of Section 13.2(b) and 13.4(l) of the Agreement, which provides that the franchisor may terminate the Agreement by written notice of termination to you in the event you are no longer permitted by the Retail Operator to operate a Genji Sushi Bar at the Retail Location. In the unanticipated event a Vendor Agreement is terminated by a Retail Operator prior to the end of the term of the Agreement, franchisor will work in good faith with the affected franchisee to find a suitable replacement location to enable the franchisee to continue to operate its Genji Sushi Bar or reach a mutual agreement with the franchisee to conclude the franchise relationship in good faith, which would include complying with the requirements under RCW 19.100.180 to buy back, at fair market value, the franchisee’s remaining inventory and supplies.

5. ~~4.~~ Section 25.2 of the Agreement does not apply in the State of Washington.

6. ~~5.~~ In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

7. ~~6.~~ RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be

court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

8. ~~7.~~ In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

9. ~~8.~~ A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

10. ~~9.~~ Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

11. ~~10.~~ Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

12. ~~11.~~ RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

13. ~~12.~~ No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO THE HANA GROUP FRANCHISING, LLC d/b/a Genji Franchising, LLC  
DISCLOSURE DOCUMENT  
FOR THE STATE OF CALIFORNIA**

**The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

The disclosure document is amended to include the following:

1. Items 1, 11, 12 and 17(e) are hereby amended to eliminate references to the franchisor's ability to terminate your franchise agreement in the event you are no longer permitted by the Retail Operator to operate a Genji Sushi Bar at the Retail Location.
2. The franchisor will not enforce in California the prohibition on franchisee employing or soliciting for employment any current or former employee of franchisor, its affiliates, or other franchisees (also known as a no-poach/non-solicitation provision) in section 8.1(c)(2) of the franchise agreement that is disclosed in Item 17, rows q and r or in any other non-compete agreement.
3. The franchise agreement contains a provision requiring you to waive your right to punitive or exemplary damages against the franchisor or any of its representatives, limiting your recovery to actual damages. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.
4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
5. Item 3 is amended to reflect that:

Neither Hana Group Franchising, LLC d/b/a Mai Franchising, LLC nor any person identified in Item 2 of the Disclosure Document is subject to any current effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934, U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

6. Item ~~175~~175 is amended by the addition of the following language:

The Department of Financial Protection and Innovation has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

7. Item 17 is amended by the addition of the following language:

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The Franchise Agreement contains covenants not to compete which extend beyond expiration or termination of the Agreement. These provisions may not be enforceable under California law.

The California Corporations Code, Section 31125 requires Hana Group Franchising, LLC d/b/a Mai Franchising, LLC to give you a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

If the Franchise Agreement contains a liquidated damages clause, under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires the application of the laws of the Commonwealth of Pennsylvania. This provision may be unenforceable under California Law.

You must sign a general release if you renew or transfer your franchise. California Corporations Code Sec. 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). California Business and Professions Code Sec. 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

8. ~~7.~~ THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

9. ~~8.~~ OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

10. ~~9.~~ California local county health departments inspect restaurants and other retail food facilities to ensure compliance with safe food handling practices and adequacy of kitchen facilities.

11. ~~10.~~ No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise

**ADDENDUM TO HANA GROUP FRANCHISING, LLC d/b/a Genji Franchising, LLC  
DISCLOSURE DOCUMENT  
FOR THE STATE OF ILLINOIS**

1. Payment of initial franchise fees will be deferred until Franchisor has met its initial obligations to Franchisee, and Franchisee has commenced business operations. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

2. ~~1.~~ Illinois law governs the Franchise Agreement.

3. ~~2.~~ In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

4. ~~3.~~ Franchisees' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 ~~of~~ of the Illinois Franchise Disclosure Act.

5. ~~4.~~ In conformance with section 41 of the Illinois Franchise Disclosure Act any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

6. ~~5.~~ No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO HANA GROUP FRANCHISING, LLC d/b/a Genji Franchising, LLC  
DISCLOSURE DOCUMENT  
FOR THE STATE OF MARYLAND**

This will serve as the State Addendum for the State of Maryland for Hana Group Franchising, LLC d/b/a Genji Franchising, LLC's Franchise Disclosure Document.

1. ~~Item 5 of the Disclosure Document is amended to state that based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement and Satellite Amendment.~~

2. ~~Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.~~

3. ~~Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.~~

4. ~~Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.~~

5. ~~Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement which provide for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).~~

6. ~~No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

**ADDENDUM TO THE HANA GROUP FRANCHISING, LLC d/b/a Genji Franchising, LLC  
DISCLOSURE DOCUMENT  
FOR THE STATE OF MINNESOTA**

This addendum to the Disclosure Document effectively amends and revises said Disclosure Document and Franchise Agreement as follows:

1. Items 5 and 7 of the Disclosure Document and the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“Payment of initial franchise fees will be deferred until Franchisee’s Franchised Business opens.”

2. ~~1-~~Item 13 of the Disclosure Document and the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.”

3. ~~2-~~Item 17 of the Disclosure Document and the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Stat. Sec. 80c.14, Subd.3, 4 and 5 require, except in certain specified cases, that (i) Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Franchise Agreement, and (ii) Franchisor’s consent to renew the Franchised Business will not be unreasonably withheld.”

4. ~~3-~~Item 17 of the Disclosure Document and the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document or agreements can abrogate or reduce (i) any of Franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or (ii) Franchisee’s rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.”

5. ~~4-~~Item 17 of the Disclosure Document and the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400(D) prohibits Franchisor from requiring Franchisee to assent to a general release.”

6. ~~5.~~ Pursuant to Minn. Rule 2860.4400(J), Franchisee cannot consent to Franchisor obtaining injunctive relief, but Franchisor may seek injunctive relief. Also, a court will determine if a bond is required.

7. ~~6.~~ The Franchise Agreement is hereby amended to comply with Minn. Stat. Sec. 80C.17, Subd. 5 regarding Limitations of Claims.

8. ~~7.~~ No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.