

FRANCHISE DISCLOSURE DOCUMENT

BBDOTQ USA, INC.

a New Jersey corporation
2134 North Central Road
Fort Lee, New Jersey 07024
201-461-4580
www.bbqchicken.com
franchise@bbdotqusa.com



The franchise offered is for a quick service restaurant, essential restaurant, or a food truck offering a menu specializing in fresh salads, premium sandwiches, chicken wings, grilled chicken, fried chicken proprietary sauces and spice mixes and sides such as calamari, waffle fries, and coleslaw, all under the name “bb.q Chicken” and operating using the franchisor’s proprietary recipes, formulae, techniques, trade dress, trademarks and logos. A Mart is considered a Super Market or Super Shopping Center. If your restaurant is located in a Mart’s food court, it will be an essential restaurant.

The total investment necessary to begin operation of a bb.q Chicken quick service restaurant franchise is \$380,000 to \$793,000. This includes \$99,000 to \$193,000 which must be paid to the franchisor or its affiliate. The total investment necessary to begin operation of a bb.q Chicken essential restaurant franchise is \$260,000 to \$498,000. This includes \$99,000 to \$143,000 which must be paid to the franchisor or its affiliate. The total investment necessary to begin operation of a bb.q Chicken food truck franchise is \$275,000 to \$453,000. This includes \$99,000 to \$143,000 which must be paid to the franchisor or its affiliate.

The total investment necessary to begin operation of a bb.q Chicken multi-unit operator business ranges from \$462,000 to \$875,500 for a required minimum of three bb.q Chicken restaurants to be developed. This includes \$179,000 to \$273,000 that must be paid to the franchisor or its 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 the 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 Hyongbong Kim at 2134 North Central Road, Fort Lee, New Jersey, 07024, and 201-461-4580.

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, DC, 20580. You can also visit the FTC’s home page at

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 and multi-unit operator agreement require you to resolve disputes with the franchisor by arbitration and/or litigation only in New Jersey. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in New Jersey 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) **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.
- 4) **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
- 5) **Unopened Franchises.** The Franchisor has signed a significant number of Franchise Agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you may also experience delays in opening your own outlet.

Certain states may require other risks to be highlighted. If so, check the "State Specific Addendum" (if any) to see whether your state requires other risks to be highlighted.

not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit D to this disclosure document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have not any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the bb.q Chicken System.

There are no trademark-specific organizations formed by our franchisees that are associated with the bb.q Chicken System.

ITEM 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit A are our audited financial statements for the fiscal years ended December 31, 2023, December 31, 2022, and December 31, 2021. Also attached are our unaudited financial statements as of ~~March~~ May 31, 2024.

Our fiscal year end is December 31st.

ITEM 22

CONTRACTS

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments:

- | | | |
|----|-------------------------------------|-----------|
| 1. | Franchise Agreement | Exhibit B |
| 2. | Multi-Unit Operator Agreement | Exhibit C |
| 3. | Form of General Release | Exhibit H |
| 4. | Franchisee Acknowledgment Statement | Exhibit J |

As permitted by state law. 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.

ITEM 23

RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one signed copy to us and retain the other for your records.

**Exhibit A to the
BBDOTQ USA, Inc. Franchise Disclosure Document**

FINANCIAL STATEMENTS

**THESE FINANCIAL STATEMENTS ARE PREPARED
WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES
OR SELLERS OF FRANCHISES SHOULD BE ADVISED
THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS
AUDITED THESE FIGURES OR EXPRESSED AN
OPINION WITH REGARD TO THE CONTENT OR FORM.**

BBDOTQ USA INC.
Balance Sheet
As of May 31, 2024

May 31, 24

ASSETS

Current Assets

Checking/Savings

10000 · Bank

10001 · Woori America Bank #3347	1,849,634.76
10002 · TD BANK #7476	63,312.99
10003 · New Bank#4008	13,000.00
10004 · Petty Cash	59.75
10005 · Bank of Hope	5,000.00

Total 10000 · Bank 1,931,007.50

Total Checking/Savings 1,931,007.50

Accounts Receivable

12000 · Accounts Receivable 6,285,682.78

Total Accounts Receivable 6,285,682.78

Other Current Assets

11000 · *Inventory Asset

11100 · Inventory Reserve	-51,844.09
11000 · *Inventory Asset - Other	9,823,643.42

Total 11000 · *Inventory Asset 9,771,799.33

12002 · Allowance for Doubtful Accounts -61,832.98

14000 · Deferred Tax Assets

14001 · Valuation Allowance	-469,024.00
14000 · Deferred Tax Assets - Other	1,737,126.00

Total 14000 · Deferred Tax Assets 1,268,102.00

14200 · ROU Assets - ST 144,039.80

14500 · Interest Receivable 19,041.43

15000 · Loan Receivable

15001 · Loan to BBQ_Flushing	-0.03
15002 · Loan to Employee 1	175,820.86
15003 · Loan to BBQ_Irvine (Hong)	24,942.77
15004 · Loan to BBQ_KTOWN	46,418.39
15005 · Loan to Hyong Bong Kim	11,299.64
15006 · Loan to Employee 2	5,618.28
15008 · Loan to Employee 3	185,565.03
15014 · Loan to Midtown	405,446.94
15015 · Loan to Englewood	605,000.00
15016 · 0315 Chicken Franchise Corp.	535,620.00
15017 · BBQ WORKFORCE INTERNATIONAL LLC	90,000.00
15020 · Loan to Reinheart Property LLC	4,000.00

Total 15000 · Loan Receivable 2,089,731.88

15018 · Loan to Genesis BBQ Property LL 1,012,400.00

15019 · Loan to BBQ AMerica INC 1,000.00

15200 · Loan to Elysium Realty LLC 30,000.00

BBDOTQ USA INC.
Balance Sheet
As of May 31, 2024

	May 31, 24
15400 · Investment	
15402 · BBQ WORKFORCE INTERNATIONAL LLC	85,000.00
15403 · Reinhart Realty LLC	10,000.00
Total 15400 · Investment	95,000.00
15500 · Initial Investment	
15501 · BBDOTQ USA Midtown, Inc.	700,000.00
15502 · BBDOTQ USA Englewood, Inc	200,000.00
Total 15500 · Initial Investment	900,000.00
16000 · Prepaid Expense	
16001 · Insurance	32,127.00
Total 16000 · Prepaid Expense	32,127.00
Total Other Current Assets	15,301,408.46
Total Current Assets	23,518,098.74
Fixed Assets	
17000 · Fixed Assets	
17001 · Furniture & Fixture	
17002 · Furniture & Fixture-HQ	113,119.52
17130 · CA	18,243.05
17131 · IL	8,324.10
17132 · East warehouse	4,418.61
17133 · 760	9,224.88
17134 · GA	508.80
17001 · Furniture & Fixture - Other	17,019.41
Total 17001 · Furniture & Fixture	170,858.37
17003 · Automobile	453,706.98
17004 · Equipment	
17104 · IL	33,533.04
17004 · Equipment - Other	130,168.24
Total 17004 · Equipment	163,701.28
17005 · Leasehold Improvement	152,619.36
17006 · Computer&Printers	203,387.56
Total 17000 · Fixed Assets	1,144,273.55
17500 · Accumulated Depreciation	
17501 · Accum.Depreciation-Automobile	-124,447.79
17502 · Accum.Depreciation-Equipment	-163,743.89
17503 · Accum.Depreciation-F & F	-54,848.56
17504 · Accum.Depreciation-LHI	-41,630.90
Total 17500 · Accumulated Depreciation	-384,671.14
Total Fixed Assets	759,602.41
Other Assets	
18000 · Intangible Asset	
18001 · Acc. Amortization - Intangible	-10,705.73
18010 · Laon Fee	

BBDOTQ USA INC.
Balance Sheet
As of May 31, 2024

	May 31, 24
18011 · Acc. Amortization - Loan Fee	-1,013.27
18010 · Laon Fee - Other	4,479.58
Total 18010 · Laon Fee	3,466.31
18000 · Intangible Asset - Other	25,690.63
Total 18000 · Intangible Asset	18,451.21
18800 · ROU Assets - LT	218,205.74
19000 · Security Deposit	67,550.68
19500 · Long Term Assets	
19501 · Investment to Ktown	
19502 · Additional Payment - Investmen	600,000.00
19501 · Investment to Ktown - Other	2,000,000.00
Total 19501 · Investment to Ktown	2,600,000.00
Total 19500 · Long Term Assets	2,600,000.00
Total Other Assets	2,904,207.63
TOTAL ASSETS	27,181,908.78
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	12,740,183.36
Total Accounts Payable	12,740,183.36
Credit Cards	
21000 · Coporate Credit Card	
21001 · 2321 (old 4880)	-3,905.49
21003 · 1323	-24,415.62
21005 · 6736	1,026.94
Total 21000 · Coporate Credit Card	-27,294.17
Total Credit Cards	-27,294.17
Other Current Liabilities	
Unearned Revenue	98,250.00
22000 · Loan Payable	
22001 · Genesisbbqglobal	2,000,000.00
22003 · Commercial (Woori America Bank)	379,302.86
Total 22000 · Loan Payable	2,379,302.86
24000 · Payroll Liabilities	
24001 · FUTA Payable	2,435.87
24002 · SUTA Payable	40,561.32
24003 · SS withholding	98,156.41
24004 · Med Withholding	22,906.15
24005 · Federal withholding	212,895.72
24006 · NJ withholding	59,923.04
24008 · NJ SUI withholding	7,525.09
24009 · NJFLI withholding	1,725.94

BBDOTQ USA INC.
Balance Sheet
As of May 31, 2024

	May 31, 24
24010 · SS tax payable	97,529.73
24011 · Med tax payable	22,809.54
24012 · Other tax payable(ER SDI)	19,992.39
24014 · CA Withholding	7,528.05
24015 · CA SDI	2,842.13
24000 · Payroll Liabilities - Other	-610,945.48
Total 24000 · Payroll Liabilities	-14,114.10
25000 · Corporate Tax Payable	-114,391.43
26000 · Interest Payable	190,247.76
26500 · Lease Liabilities - ST	140,801.16
26600 · GiveX Liability	39,501.22
27000 · Royalty Payable	6,308,480.56
29000 · GC Payable	-80.00
29500 · Sales Tax Payable	
29511 · CA	2,291.97
29512 · NV	2,521.55
29500 · Sales Tax Payable - Other	-2,897.88
Total 29500 · Sales Tax Payable	1,915.64
29600 · Sales Tax Payable 2	53.98
Total Other Current Liabilities	9,029,967.65
Total Current Liabilities	21,742,856.84
Long Term Liabilities	
28400 · Lease Liabilities - LT	233,564.82
Total Long Term Liabilities	233,564.82
Total Liabilities	21,976,421.66
Equity	
31000 · Common Stock	4,250,000.00
32000 · Retained Earnings	-1,723,428.03
Net Income	2,678,915.15
Total Equity	5,205,487.12
TOTAL LIABILITIES & EQUITY	27,181,908.78

BBDOTQ USA INC.
Profit & Loss
January through May 2024

Jan - May 24

Ordinary Income/Expense

Income

40000 · Revenue

41000 · Product Sales

41100 · Product Sales-BBQ ITEM

41101 · CA 1,834,806.41

41102 · Eastern 2,387,499.22

41104 · Texas 1,139,542.69

41105 · Illinois 520,049.34

41106 · Georgia 540,282.08

41150 · South America

41152 · Panama 20,560.11

41153 · Costa Rica 50.00

Total 41150 · South America 20,610.11

41160 · Chicken Prep Sales

41161 · 3rd Ave 95,549.58

41162 · Englewood 11,594.90

41163 · Astoria 80,269.66

41164 · Flushing 58,830.62

Total 41160 · Chicken Prep Sales 246,244.76

41100 · Product Sales-BBQ ITEM - Other -1,830.97

Total 41100 · Product Sales-BBQ ITEM 6,687,203.64

41200 · Product sales-K Town

41201 · Chicken Sales 587,798.74

41202 · BBQ Items - K town 646,090.90

41203 · Non BBQ Items - K town 178,774.94

41204 · Botrista - K town 24,381.35

Total 41200 · Product sales-K Town 1,437,045.93

41310 · Product sales - Astoria

41312 · BBQ Items - Astoria 84,717.93

41313 · Non BBQ Items - Astoria 44,789.82

41314 · Botrista - Astoria 4,437.48

Total 41310 · Product sales - Astoria 133,945.23

41320 · Product sales - Flushing

41322 · BBQ Items - Flushing 52,040.74

41323 · Non BBQ Items - Flushing 20,031.06

41324 · Botrista - Flushing 2,090.45

Total 41320 · Product sales - Flushing 74,162.25

41500 · Others

61,744.61

41600 · Product Sales-3rd Ave

41602 · BBQ Items-3rd Ave 107,550.61

41603 · Non BBQ Items- 3rd Ave 42,522.30

Total 41600 · Product Sales-3rd Ave 150,072.91

BBDOTQ USA INC.
Profit & Loss
January through May 2024

	<u>Jan - May 24</u>
41800 · Product Sales - Englewood	
41802 · BBQ Items - Englewood	24,176.44
41803 · Non BBQ Items - Englewood	9,082.11
Total 41800 · Product Sales - Englewood	33,258.55
41900 · Botrista Item	
41901 · CA	15,138.02
41902 · Eastern	42,953.96
41904 · Texas	18,804.71
41905 · Illinois	4,744.24
41906 · Georgia	14,511.33
41900 · Botrista Item - Other	-7,925.13
Total 41900 · Botrista Item	88,227.13
42500 · Product Sales-Non BBQ Item	
42501 · Texas Dallas	
46001 · SC	1,669,798.18
42501 · Texas Dallas - Other	111,259.57
Total 42501 · Texas Dallas	1,781,057.75
42502 · Illinois	
46003 · SC	250,425.41
46004 · GD	492,537.40
Total 42502 · Illinois	742,962.81
42503 · CA	
46006 · SC	1,479,852.76
46007 · SF	2,263,902.41
46008 · Others	315,269.11
46100 · LP	384,848.99
Total 42503 · CA	4,443,873.27
42504 · Eastern Area(NY,NJ,PA,CT,MA,GA)	
42505 · MQ	238,679.17
42515 · L&G	183,714.67
46009 · SC	1,269,481.72
46010 · Others	328,764.29
46200 · GD	1,908,584.63
46400 · AF	608,297.00
46401 · US	179,531.27
Total 42504 · Eastern Area(NY,NJ,PA,CT,MA,GA)	4,717,052.75
42507 · VA,MD,DE	
46011 · SC	118,974.70
46300 · AF	401,469.40
Total 42507 · VA,MD,DE	520,444.10
42509 · NV	
46013 · SC	145,618.99
Total 42509 · NV	145,618.99

BBDOTQ USA INC.
Profit & Loss
January through May 2024

	Jan - May 24
42510 · CO	
46014 · SF	91,708.37
Total 42510 · CO	91,708.37
42511 · AZ	
46017 · SF	128,244.47
Total 42511 · AZ	128,244.47
42500 · Product Sales-Non BBQ Item - Other	116,557.86
Total 42500 · Product Sales-Non BBQ Item	12,687,520.37
Total 41000 · Product Sales	21,353,180.62
42000 · Franchises Fee	
42001 · Initial Franchise Fee	901,000.00
42002 · Area Representative Fee	780,000.00
Total 42000 · Franchises Fee	1,681,000.00
43000 · Royalty Sales	3,869,642.35
43500 · Marketing Fee	773,923.34
44000 · Kitchen Euipment & Utensil	
44100 · South America	
44102 · Panama	12,030.55
Total 44100 · South America	12,030.55
44000 · Kitchen Euipment & Utensil - Other	479,423.84
Total 44000 · Kitchen Euipment & Utensil	491,454.39
45000 · POS Euipment & Software Sales	56,029.77
48000 · Design Product	10,336.50
49000 · Training Fee	16,981.29
40000 · Revenue - Other	-25,556.00
Total 40000 · Revenue	28,226,992.26
Total Income	28,226,992.26
Cost of Goods Sold	
50000 · Cost of Goods sold	
52000 · Kitchen Equipment	
52100 · South America	
52101 · Bahama	1,734.65
52102 · Panama	4,418.22
52103 · Costarica	2,683.74
Total 52100 · South America	8,836.61
52000 · Kitchen Equipment - Other	171,953.09
Total 52000 · Kitchen Equipment	180,789.70
53000 · POS System	51,948.68
53500 · Design Product	13,173.08
54000 · Freight-In Costs	
54100 · Custom	84,005.28
54200 · Freight Cost	738,690.75
54300 · In&Out Fee	2,850.00

BBDOTQ USA INC.
Profit & Loss
January through May 2024

	Jan - May 24
54500 · Freight-In (Poultry)	17,559.27
54000 · Freight-In Costs - Other	450,992.30
Total 54000 · Freight-In Costs	1,294,097.60
56000 · Others	
56001 · Gift Card	100.00
56000 · Others - Other	28,162.25
Total 56000 · Others	28,262.25
50000 · Cost of Goods sold - Other	1,037,626.75
Total 50000 · Cost of Goods sold	2,605,898.06
50001 · Product Purchase	
50100 · BBQ Item	
50110 · Inventory Items	
50111 · NJ Warehouse	
50501 · Cary	0.00
Total 50111 · NJ Warehouse	0.00
50114 · Uniform	38,763.00
50117 · Botrista Item	8,870.87
Total 50110 · Inventory Items	47,633.87
50100 · BBQ Item - Other	23,100.00
Total 50100 · BBQ Item	70,733.87
50200 · Non BBQ Item	
50210 · Franchisee	
50211 · Texas Dallas Products	1,825,972.41
50212 · CA Products	4,847,711.80
50213 · IL Products	792,240.87
50214 · NYS(Rochester)	145,995.86
50215 · Other Location	
50216 · Chicken	301,173.45
50215 · Other Location - Other	3,851,338.90
Total 50215 · Other Location	4,152,512.35
50217 · VA, MD, GA	704,345.97
50218 · NJ	412,526.83
50219 · AZ	132,644.73
50220 · IN Products	27,473.02
Total 50210 · Franchisee	13,041,423.84
Total 50200 · Non BBQ Item	13,041,423.84
50201 · K Town	
50203 · Chicken K town	578,123.49
50204 · Non BBQ Products	178,977.51
50201 · K Town - Other	-876.23
Total 50201 · K Town	756,224.77
50301 · 3rd Ave	
50310 · Chicken-3rd Ave	95,269.98

BBDOTQ USA INC.
Profit & Loss
January through May 2024

	Jan - May 24
50311 · Non BBQ Products-3rd Ave	42,635.02
Total 50301 · 3rd Ave	137,905.00
50401 · Englewood	
50403 · Chicken - Englewood	15,820.99
50404 · Non BBQ Products - Englewood	8,931.33
Total 50401 · Englewood	24,752.32
50601 · Astoria	
50603 · Chicken - Astoria	74,511.36
50604 · Non BBQ Products - Astoria	44,728.88
Total 50601 · Astoria	119,240.24
50701 · Flushing	
50703 · Chicken - Flushing	54,511.90
50704 · Non BBQ Products - Flushing	19,817.66
Total 50701 · Flushing	74,329.56
50001 · Product Purchase - Other	1,568.88
Total 50001 · Product Purchase	14,226,178.48
Total COGS	16,832,076.54
Gross Profit	11,394,915.72
Expense	
60000 · Amortization Expense	2,518.47
70000 · Automobile Expense	
70001 · Gas & Mileage	
70002 · CA	3,140.08
70001 · Gas & Mileage - Other	5,643.29
Total 70001 · Gas & Mileage	8,783.37
70003 · Automobile Leasing Expense	13,752.80
70004 · Repair & Maintenance	
70005 · CA	411.01
70004 · Repair & Maintenance - Other	7,353.50
Total 70004 · Repair & Maintenance	7,764.51
Total 70000 · Automobile Expense	30,300.68
71000 · Bank Service Charges	5,749.43
72000 · Communication Expense	
72001 · Telephone & Internet	
72002 · CA	635.88
72001 · Telephone & Internet - Other	35,509.34
Total 72001 · Telephone & Internet	36,145.22
72003 · Postage & Delivery	161.40
Total 72000 · Communication Expense	36,306.62
72500 · Depreciation Expense	68,356.69
73000 · Dues and Subscription	
73001 · Equipment Lease	7,751.91
73002 · Web Hosting Expense	900.00

BBDOTQ USA INC.
Profit & Loss
January through May 2024

	Jan - May 24
73000 · Dues and Subscription - Other	61,097.47
Total 73000 · Dues and Subscription	69,749.38
74000 · Employee Benefits	
74001 · Health Insurance	238,347.16
74005 · Contribution of 401K	11,260.33
Total 74000 · Employee Benefits	249,607.49
75000 · Freight Cost	
75001 · CA	
75501 · In&Out Fee	14,400.00
75502 · Storage Fee	208,133.04
75503 · Others	4,863.27
75001 · CA - Other	57,117.12
Total 75001 · CA	284,513.43
75002 · TX	
75601 · In&Out Fee	163,700.00
75602 · Storage Fee	14,595.00
75603 · Others	6,373.85
75002 · TX - Other	68,300.86
Total 75002 · TX	252,969.71
75003 · IL	118,388.62
75004 · Eastern Area	
75101 · In&Out Fee	123,741.60
75102 · Storage Fee	64,029.40
75107 · Others	10,052.12
75004 · Eastern Area - Other	493,258.36
Total 75004 · Eastern Area	691,081.48
75005 · GA	
75301 · In&Out Fee	60,475.43
75302 · Storage	19,570.84
75303 · Others	1,257.00
75005 · GA - Other	9,735.17
Total 75005 · GA	91,038.44
75103 · Kitchen Equipment Freight	13,659.74
75104 · Others	3,413.33
75105 · Newly Item Freight	41,526.87
75106 · WH to WH	106,653.42
75200 · Ocean Freight	
75201 · Ocean Freight	15,211.58
75202 · Custom	8,536.12
Total 75200 · Ocean Freight	23,747.70
75300 · Botrista Freight	7,133.73
75000 · Freight Cost - Other	-480,257.29
Total 75000 · Freight Cost	1,153,869.18

BBDOTQ USA INC.
Profit & Loss
January through May 2024

Jan - May 24

76000 · Insurance Expense	
76001 · Auto Insurance	33,386.38
76002 · General Liability	1,326.02
76003 · Woker's Compensation	25,648.10
76004 · Employment Practices Liability	11,722.32
76005 · Cargo Insurance	3,548.00
76000 · Insurance Expense - Other	2,779.90
Total 76000 · Insurance Expense	78,410.72
77000 · Marketing Expense	
77001 · Printing	50,422.46
77002 · Online Advertising	240,308.72
77003 · Newspaper	23,410.00
77004 · Others	155,024.01
77005 · Promotion Expense	108,132.78
77006 · Business Development Related	60,087.18
77008 · Design Product	176,168.26
77009 · Expo & Event	16,270.45
77010 · Gift Card Expense	9,080.75
77011 · Marketing Fee Expense	149,864.89
77000 · Marketing Expense - Other	270,231.98
Total 77000 · Marketing Expense	1,259,001.48
78000 · Meals and Entertainment	
78001 · Employee Meals	152,785.93
78002 · BZ Meals	29,261.70
78004 · Expo & Event	2,849.89
Total 78000 · Meals and Entertainment	184,897.52
79000 · Payroll Expenses	
79001 · SS Expense	97,529.73
79002 · Med Expense	22,809.54
79003 · FUTA Expense	2,435.87
79004 · SUTA Expense	40,561.32
79005 · Other Tax Expense(ER SDI)	19,992.39
79006 · Salary & Wages	2,166,931.11
79007 · Processing Fee	6,859.83
Total 79000 · Payroll Expenses	2,357,119.79
80000 · Penailty & Fees	4,324.10
80500 · Donation	
Non-Deductible Contributions	4,000.00
80503 · Political Contributions	5,600.00
80500 · Donation - Other	64,000.00
Total 80500 · Donation	73,600.00
81000 · Permit & License	2,414.98
82000 · Professional Fees	

BBDOTQ USA INC.
Profit & Loss
January through May 2024

	Jan - May 24
82001 · Accounting Service Fees	71,148.88
82002 · Legal Fees	432,074.28
82003 · Consulting Fee	498,163.73
82004 · Broker Fee	43,920.00
82005 · Others	54,782.40
Total 82000 · Professional Fees	1,100,089.29
83000 · Rent Expense	
83001 · Rent-NJ Office	47,343.10
83002 · RenT-CA Office	24,692.89
83003 · Rent-Operation NJ Office	31,608.15
83004 · Rent-Real Estate Tax(Operation)	909.54
83005 · CPO House	4,170.00
83006 · Rent - YoungJin Choi	1,190.00
Total 83000 · Rent Expense	109,913.68
84000 · Repairs and Maintenance	50,914.91
84500 · Research & Development Expense	92,586.43
85000 · Supplies	
85001 · Office Supplies-NJ	81,103.03
85002 · Office Supplies-CA Office	3,685.52
85005 · Expo & Event	3,240.27
Total 85000 · Supplies	88,028.82
85300 · Moving Expenses	888.98
86000 · Travel Expense	
86100 · Domestic BZ Trip	
86101 · Accomodations	99,221.64
86102 · Transportation	241,576.06
86104 · Parking & Toll, Gas	15,036.62
86106 · Expo & Event	7,371.34
86100 · Domestic BZ Trip - Other	1,143.23
Total 86100 · Domestic BZ Trip	364,348.89
86200 · INTL BZ Trip	72,900.61
Total 86000 · Travel Expense	437,249.50
87000 · Utilities	
87001 · Electric & Gas	7,326.64
87003 · Water	1,121.75
87004 · Waste Management	4,362.75
Total 87000 · Utilities	12,811.14
88000 · Royalty Expense	1,270,858.55
90000 · Other Expense	1,000.00
Total Expense	8,740,567.83
Net Ordinary Income	2,654,347.89
Other Income/Expense	
Other Income	

BBDOTQ USA INC.
Profit & Loss
January through May 2024

	Jan - May 24
47000 · Other Income	
47002 · Interest Income	13,706.98
47003 · Mis. Income	1,490.00
47000 · Other Income - Other	6,062.61
Total 47000 · Other Income	21,259.59
Total Other Income	21,259.59
Net Other Income	21,259.59
Net Income	2,675,607.48

**Exhibit F to the
BBDOTQ USA, Inc. Franchise Disclosure Document**

STATE SPECIFIC ADDENDUM

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement and Multi-Unit Operator Agreement contains provisions that are inconsistent with the law, the law will control.
2. The Franchise Agreement and Multi-Unit Operator Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).
3. The Franchise Agreement and Multi-Unit Operator Agreement contain covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.
4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.
5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.
6. The Franchise Agreement and Multi-Unit Operator Agreement require binding arbitration. The arbitration will occur in New Jersey with the costs being borne by the franchisee and franchisor. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
7. The Franchise Agreement and Multi-Unit Operator Agreement require application of the laws of New Jersey. This provision may not be enforceable under California law.
8. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
9. 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.
10. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

11. OUR WEBSITE, www.bbdotqchicken.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.
12. In the state of California, all initial fees and costs, including fees or costs related to any services rendered, any equipment and/or inventory delivered or any other costs related to the franchise, are deferred until the franchisor's pre-opening obligations to the franchisee are complete and the franchisee is open for business.
13. In the state of 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.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND MULTI-UNIT OPERATOR AGREEMENT
REQUIRED BY THE STATE OF CALIFORNIA**

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.

The parties hereto have duly executed, sealed and delivered this Addendum dated _____.

FRANCHISEE:

FRANCHISOR:

BBDOTQ USA, INC.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

PRINCIPALS:

Name: _____

Name: _____

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF ILLINOIS

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee (or developer) 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.

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement which designates jurisdiction or venue outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

Your right upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In Illinois, payment of Initial Franchise Fees owed to Franchisor/affiliate will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

The parties hereto have duly executed, sealed and delivered this Addendum dated _____.

FRANCHISEE:

FRANCHISOR:

BBDOTQ USA, INC.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

PRINCIPALS:

Name: _____

Name: _____

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee (or developer) 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.

Illinois law governs the agreements between the parties to this franchise.

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The parties hereto have duly executed, sealed and delivered this Addendum dated _____.

FRANCHISEE:

FRANCHISOR:

BBDOTQ USA, INC.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

PRINCIPALS:

Name: _____

Name: _____

ADDENDUM TO THE MULTI-UNIT OPERATOR AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee (or developer) 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.

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement which designates jurisdiction or venue outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

Your right upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In Illinois, payment of Initial Franchise Fees owed to Franchisor/affiliate will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

The parties hereto have duly executed, sealed and delivered this Addendum dated _____

FRANCHISEE:

FRANCHISOR:

BBDOTQ USA, INC.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

PRINCIPALS:

Name: _____

Name: _____