

CANTALOOP INTERNATIONAL INC.

7083 Hollywood Boulevard, # 280
Los Angeles, California 90028
(323) 874-0886

INFORMATION FOR PROSPECTIVE FRANCHISEES REQUIRED BY THE FEDERAL TRADE COMMISSION

TO PROTECT YOU, WE'VE REQUIRED YOUR FRANCHISOR TO GIVE YOU THIS INFORMATION. WE HAVEN'T CHECKED IT, AND DON'T KNOW IF IT'S CORRECT. IT SHOULD HELP YOU MAKE UP YOUR MIND. STUDY IT CAREFULLY. WHILE IT INCLUDES SOME INFORMATION ABOUT YOUR CONTRACT, DON'T RELY ON IT ALONE TO UNDERSTAND YOUR CONTRACT. READ ALL OF YOUR CONTRACT CAREFULLY. BUYING A FRANCHISE IS A COMPLICATED INVESTMENT. TAKE YOUR TIME TO DECIDE. IF POSSIBLE, SHOW YOUR CONTRACT AND THIS INFORMATION TO AN ADVISOR, LIKE A LAWYER OR AN ACCOUNTANT.

IF YOU FIND ANYTHING YOU THINK MAY BE WRONG OR ANYTHING IMPORTANT THAT'S BEEN LEFT OUT, YOU SHOULD LET US KNOW ABOUT IT. IT MAY BE AGAINST THE LAW.

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

FEDERAL TRADE COMMISSION
Washington, D.C. 20580

Date of Issuance: _____

Initial
091304



FRANCHISE OFFERING CIRCULAR

CANTALOOP INTERNATIONAL INC.

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As a franchisee, you will operate a business relating to the operation of Frozen Treat Centers, which serve health conscious, high-energy, natural frozen yogurt and related products to the general public.

The initial franchise fee for a start-up franchise or a conversion franchise is \$20,000 payable upfront upon execution of agreement. The estimated initial investment ranges from \$154,000 to \$241,000 for a start-up franchisee or \$146,000 to \$258,000 for a conversion franchisee.

RISK FACTORS:

1. THE FRANCHISE AGREEMENT REQUIRES THAT MOST DISAGREEMENTS BE SUBMITTED TO ARBITRATION (OR LITIGATION, IF ARBITRATION IS NOT APPLICABLE) IN CALIFORNIA. OUT OF STATE ARBITRATION (OR LITIGATION) MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE (OR LITIGATE) WITH US IN CALIFORNIA THAN IN YOUR HOME STATE. SOME STATE FRANCHISE LAWS PROVIDE THAT JURISDICTION AND VENUE PROVISIONS ARE VOID OR SUPERSEDED. YOU MIGHT WANT TO INVESTIGATE WHETHER YOU ARE PROTECTED BY A STATE FRANCHISE LAW. YOU SHOULD REVIEW THE STATE SPECIFIC ADDENDUM ATTACHED TO THIS OFFERING CIRCULAR AND FRANCHISE AGREEMENT FOR SPECIFIC PROVISIONS.

2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS. SOME STATE FRANCHISE LAWS PROVIDE THAT CHOICE OF LAW PROVISIONS ARE VOID OR SUPERSEDED. YOU MIGHT WANT TO INVESTIGATE WHETHER YOU ARE PROTECTED BY A STATE FRANCHISE LAW. YOU SHOULD REVIEW THE STATE SPECIFIC ADDENDUM ATTACHED TO THIS OFFERING CIRCULAR AND FRANCHISE AGREEMENT FOR SPECIFIC PROVISIONS.

3. THE FRANCHISOR DOES NOT OPERATE A BUSINESS OF THE TYPE BEING FRANCHISED AND RECENTLY BEGAN OFFERING FRANCHISES. YOU MAY WANT TO CONSIDER THIS IN DECIDING WHETHER TO PURCHASE A FRANCHISE.

4. BY NOT HAVING A PRINCIPAL REGISTER FEDERAL REGISTRATION FOR "CANTALOOP," WE DO NOT HAVE CERTAIN PRESUMPTIVE LEGAL RIGHTS GRANTED BY A REGISTRATION.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Information comparing CANTALOOP INTERNATIONAL INC. with other franchisors is available. Call the state administrators listed in Exhibit A of this Offering Circular or your public library for sources of information.

REGISTRATION OF THIS FRANCHISE WITH THE STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS OFFERING CIRCULAR. IF YOU LEARN THAT ANYTHING IN THIS OFFERING CIRCULAR IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND STATE ADMINISTRATORS LISTED IN EXHIBIT A.

The Effective Date for this Offering Circular is _____ for your state or as otherwise provided in Exhibit H.

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
1. THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES	1
2. BUSINESS EXPERIENCE.....	3
3. LITIGATION.....	3
4. BANKRUPTCY.....	3
5. INITIAL FRANCHISE FEE	3
6. OTHER FEES	5
7. INITIAL INVESTMENT.....	8
8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	11
9. FRANCHISEE'S OBLIGATIONS	14
10. FINANCING.....	16
11. FRANCHISOR'S OBLIGATIONS	16
12. TERRITORY	21
13. TRADEMARKS	22
14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.....	23
15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE CANTALOOP FROZEN TREAT CENTER.....	24
16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	24
17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....	25
18. PUBLIC FIGURES	31
19. EARNINGS CLAIM.....	32
20. LIST OF OUTLETS.....	32
21. FINANCIAL STATEMENTS.....	33
22. CONTRACTS	33
23. RECEIPT.....	33

EXHIBITS

- A. LIST OF STATE ADMINISTRATORS
- B. LIST OF STATE AGENTS FOR SERVICE OF PROCESS
- C. FRANCHISE AGREEMENT
- D. TABLE OF CONTENTS OF CONFIDENTIAL OPERATIONS MANUAL
- E. FINANCIAL STATEMENTS
- F. LIST OF TERMINATED FRANCHISEES
- G. FRANCHISEE DISCLOSURE QUESTIONNAIRE
- H. MULTI-STATE ADDENDA

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