

FRANCHISE DISCLOSURE DOCUMENT

Chillbox USA Franchise, LLC
a New Jersey limited liability company
416 East Central Boulevard
Palisades Park, New Jersey 07650
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The franchisee will operate a retail store offering Greek frozen yogurt and toppings, smoothies and beverages under the name "Chillbox Greek Frozen Yogurt". A Store operates using the franchisor's proprietary recipes, formulae, techniques, trade dress, trademarks and logos.

The total investment necessary to begin operation of a standard Chillbox Greek Frozen Yogurt franchise is \$169,700 to \$481,500. This includes between \$115,000 and \$212,000 that must be paid to the franchisor and/or its affiliate.

We may offer to enter into multi-unit operator agreements to establish and operate a certain number of Chillbox Greek Frozen Yogurt Stores at specific locations under individual franchise agreements. The Development Fee will be equal to 100% of the initial franchise fee for the first Store to be developed, plus a deposit equal to 50% of the initial franchise fee for each additional Store to be developed under the Multi-Unit Operator Agreement (which means that the Development Fee will vary depending on the number of Stores to be developed). The investment necessary to for a Multi-Unit Operator to establish its first Store will be between \$241,700 and \$554,000, assuming the Multi-Unit Operator commits to develop three Stores. This includes between \$140,000 to \$235,000 that must be paid to the franchisor and/or its affiliates.

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 Charles Castelli at 416 East Central Boulevard, Palisades Park, New Jersey 07650, or (201) 917-2425.

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*

Chillbox Greek Frozen Yogurt/ufdd no AR-04

(Franchise Disclosure Document for
Franchise Agreement and
Multi-Unit Operator Agreement)

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 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.

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STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. **REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.**

Call the state franchise administrator listed in Exhibit A for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following **RISK FACTORS** before you buy this franchise:

1. **THE FRANCHISE AND MULTI-UNIT OPERATOR AGREEMENTS REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN NEW JERSEY. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN NEW JERSEY THAN IN YOUR OWN STATE.**
2. **THE FRANCHISE AND MULTI-UNIT OPERATOR AGREEMENTS STATE THAT NEW JERSEY LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
3. **THE FRANCHISOR WAS FORMED IN JULY 2014 AND HAS NO OPERATING HISTORY OR RECORD OF PERFORMANCE. A FRANCHISEE'S INITIAL INVESTMENT OF FROM \$144,700 TO \$305,500 EXCEEDS THE FRANCHISOR'S NET WORTH OF \$40,055 AS OF DECEMBER 31, 2014. A PROSPECTIVE FRANCHISEE SHOULD TAKE THIS FACTOR INTO CONSIDERATION WHEN DECIDING WHETHER TO PURCHASE A FRANCHISE.**
4. **THE TERRITORY IS NOT EXCLUSIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS FRANCHISOR CONTROLS.**
5. **THE FRANCHISE AGREEMENT PROVIDES THAT A FRANCHISEE AGREE TO FRANCHISOR SEEKING INJUNCTIVE RELIEF WITHOUT POSTING A BOND AND AGREE TO HAVING THE DISSOLUTION OF THE INJUNCTION AS THE ONLY REMEDY AND WAIVING ALL CLAIMS FOR DAMAGES CAUSED BY WRONGFUL ISSUANCE OF SUCH INJUNCTION.**
6. **THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT LIMIT FRANCHISEE'S RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA INCLUDING BUT NOT LIMITED TO A TIME LIMIT TO RAISE CLAIMS AGAINST THE FRANCHISOR, LIMITATION OF DAMAGES AND WAIVER OF JURY TRIAL.**

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