

FRANCHISE DISCLOSURE DOCUMENT



CREAM, Inc.
A California Corporation
1799 El Camino Real
Millbrae, California 94030
(650) 754-6640
www.creamnation.com

The franchisee will operate a single CREAM custom frozen dessert, cookie, and ice cream sandwich shop (a “CREAM Business”) in accordance with Franchisor’s then-current form of franchise agreement (“Franchise Agreement”). The estimated initial investment required for the establishment of a CREAM Business ranges from \$251,700 to \$380,600, which includes \$30,000 that must be paid to franchisor or its affiliates prior to opening.

We offer qualified parties the right to open and operate multiple CREAM Businesses in accordance with a development schedule the parties agree to under Franchisor’s form of development agreement (“Development Agreement”). The total investment necessary to begin operations under a Development Agreement will depend on the number of CREAM Businesses we grant you the right to open. By way of example, the total investment necessary to begin operations under a Development Agreement for the right to open and operate three (3) CREAM Businesses is \$343,700 to \$474,600, which includes \$90,000 that must be paid to the franchisor or its affiliates. This estimate includes the appropriate development fee you must pay to franchisor upon execution of the Development Agreement, as well as the total estimated initial investment to open and commence operations of your first CREAM Business.

We may also offer qualified parties the right to operate a CREAM Business at large public entertainment venues or other non-traditional venues, such as sports stadiums and airports. The estimated initial investment will vary greatly depending upon the Non-Traditional Venue and the location of the CREAM Business within the Non-Traditional Venue, although we believe the initial investment will be below the range of initial investment for a traditional CREAM Business. The initial payments to us or our affiliates prior to opening will range from \$0 to \$30,000.

This disclosure document summarizes certain provisions of your franchise agreement, development 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 our corporate office at CREAM, Inc. at 1799 El Camino Real, Millbrae, California 94030 and (650) 754-6640.

The terms of your Franchise Agreement and Development Agreement will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contracts. Read all of your contracts carefully. Show your contracts 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 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. The Issue Date of this Disclosure Document ("FDD") is: June 15, 2020.

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only CREAM business in my area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What’s it like to be a CREAM franchisee?	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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