

DEL'S LEMONADE & REFRESHMENTS, INC.

FRANCHISE DISCLOSURE DOCUMENT



Del's Lemonade & Refreshments, Inc.
A Rhode Island Corporation
1260 Oaklawn Avenue
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www.dels.com
bruce@dels.com

The franchise to be offered is the business of preparing and selling frozen lemonade and non-frozen lemonade products and snack foods in conformity with franchisor's recipes, food preparation procedures, and business methods, and use of the franchisor's trade name and trademarks.

The initial franchise fee is between \$5,000 and \$100,000. The estimated initial investment required, excluding the initial franchise fee, is \$94,000. This sum does not represent franchisee's total investment in connection with the Del's Lemonade Franchise. Items 5-7, inclusive of this Disclosure Document, beginning on page 9, should be consulted for further explanation regarding the total investment.

Risk Factors:

This Disclosure Document summarizes certain provisions of your franchising agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at your first personal business meeting with the Franchisor held for the purpose of discussing the sale or possible sale of the franchise and at least 10 business 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.**

The terms of your contract will govern your franchise relationship. Don't rely on this Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, such as 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 "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 ("FTC"). 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 issuance date of this Disclosure Document is: _____.

EVEN THOUGH THE FRANCHISE AGREEMENT PROVIDES THAT RHODE ISLAND LAW APPLIES, LOCAL LAW MAY SUPERSEDE IN YOUR STATE. PLEASE REFER TO ANY STATE SPECIFIC ADDENDUM THAT MAY BE ATTACHED TO THE DISCLOSURE DOCUMENT FOR DETAILS.

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 on **Attachment 1** 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:

THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN RHODE ISLAND. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN RHODE ISLAND THAN IN YOUR OWN STATE.

THE FRANCHISE AGREEMENT STATES THAT RHODE ISLAND 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.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

A FALSE, INCOMPLETE, INACCURATE, OR MISLEADING STATEMENT MAY CONSTITUTE A VIOLATION OF BOTH FEDERAL AND STATE LAW, AND SHOULD BE REPORTED TO BOTH THE FEDERAL TRADE COMMISSION, 600 PENNSYLVANIA AVENUE, NW, WASHINGTON, D.C. 20580 AND R.I. DEPARTMENT OF BUSINESS REGULATION, SECURITIES DIVISION, JOHN O PASTORE COMPLEX, 1511 PONTIAC AVENUE, BUILDING 69-1, CRANSTON, RHODE ISLAND 02920.

ATTACHMENT 1

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having registration and disclosure laws, with the following effective dates:

Rhode Island – 6/30/16 – 7/30/17 (Renewal Pending)
Florida – 5/25/17 – 5/25/18
Connecticut – 4/12/17 – 4/30/18

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