

## FRANCHISE DISCLOSURE DOCUMENT

Dippin' Dots Franchising, L.L.C. An Oklahoma Limited Liability Company 2775 West Park Drive Paducah, Kentucky 42001 (270) 575-6990

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Dippin' Dots® franchising, L.L.C. ("DDF," "we," or "us") offers you the opportunity to operate a Dippin' Dots® franchised business, which includes (1) the right to operate a fixed location Dippin' Dots® retail ice cream store or kiosk, (2) the right to sell Dippin' Dots® products at one or more events such as fairs, festivals, and similar-type events in your territory, and (3) the right to sell Dippin' Dots® products in vending machines or freezers placed in retail locations in your territory.

The total investment necessary to begin operations as a Dippin' Dots® franchisee will range from \$112,204 to \$376,950, depending on whether you choose to establish and operate a fixed-location Dippin' Dots® retail ice cream store or kiosk. This includes amounts in the range of \$76,799 to \$123,150 that must be paid to our affiliates or us. This amount does not include rent for any fixed location for your franchised business.

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 this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make 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 our director of franchising, Steve Rothenstein, at (270) 415-3173 or by writing to him at Dippin' Dots Franchising, L.L.C., 2775 West Park Dr., Paducah, KY 42001.



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. If possible, 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, Washington, D.C. 20580. You can also visit the FTC's home page at <a href="www.ftc.gov">www.ftc.gov</a> 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 franchise administrator listed in <u>Exhibit 1</u> 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.

## **RISK FACTORS:**

- 1. THE FRANCHISE AGREEMENT REQUIRES ALL DISPUTES BETWEEN YOU AND US TO BE FINALLY SETTLED BY ARBITRATION IN OKLAHOMA ACCORDING TO THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH DIPPIN' DOTS FRANCHISING, L.L.C. IN OKLAHOMA THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT OKLAHOMA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE YOU THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Registration of this franchise by a state does not mean that the state recommends it or has verified the information in this Disclosure Document. If you learn that anything in this Disclosure Document is untrue, contact the Federal Trade Commission and the applicable state agency listed in Exhibit 1.

Effective Date: See the next page for state effective dates.

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