

FRANCHISE DISCLOSURE DOCUMENT



Dripp Franchising Inc.
a California corporation
4300 Edison Avenue
Chino, California 91710
(909) 465-4101
www.dripp.com

We offer franchises for the operation of a retail specialty coffee bar offering our unique selection of fresh roasted specialty coffee, espresso-based coffee drinks, iced and blended coffee drinks, tea and tea-based drinks, specialty lemonades, and other hot and cold beverages, assorted bakery products which include, pastries and cookies, ice cream, fresh deli sandwiches, and specified merchandise, using the Dripp® “Marks” and franchise “System” (as defined in the Franchise Agreement). At the center of our franchise system is our directly sourced, “Specialty Coffee” that meets or exceeds the requirements set by the Specialty Coffee Association “SCA”, with over all scores of 85+ points. Our beverages and ice cream sandwiches are made to order, and all our products are always made fresh on-site to provide rich, full flavors. Our franchisees must bring this same sensibility to the Franchised Business and be willing to take the time and invest the money required to produce our unique line of quality products in the relaxed atmosphere that emanates from our proprietary interior design and other specifications. Each “Dripp® Coffee Bar” (as defined in the Franchise Agreement) is operated according to our high System Standards for an exceptional customer experience that positively represents our brand.

The total investment necessary to begin operation of a franchised Dripp® Coffee Bar is \$442,330 to \$926,700 if you lease your “Authorized Location” (listed on Schedule A to the Franchise Agreement), as we anticipate you will. This includes \$155,400 to \$240,000 that must be paid to the franchisor or its affiliate(s).

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 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 Dripp Franchising Inc., 4300 Edison Avenue, Chino, California 91710 or by phone at (909) 465-4101.

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 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.

Issuance date: June 22, 2020, as amended November 3, 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. Once we have franchisees, you can find their names and contact information in Item 20 or Exhibits to this disclosure document.
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 estimated 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 D 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 Dripp® 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 Dripp® franchisee?	Item 20 lists current and former franchisees, however, as of the issuance date of this disclosure document, we do not have any franchisees. Once we have 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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