

FRANCHISE DISCLOSURE DOCUMENT

BOBA TIME, INC.
701 S. Vermont Ave.
Los Angeles, CA 90005
(213) 251-0001
www.itsbobatime.com



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Department of
Business Oversight

We offer franchises for the operation of “It’s Boba Time” snack and dessert shops offering smoothies, snacks, desserts and beverages on a dine-in and take-out service in high volume retail centers and other high traffic commercial locations throughout the United States.

The total estimated investment necessary to begin operation of an It’s Boba Time franchise ranges from \$323,000 to \$454,000. This includes the franchise fee of \$35,000 that must be paid to us, the Franchisor. In the case of an area developer, the development fee to be paid to the Franchisor is equal to \$35,000 for the first restaurant to be developed plus \$12,500 for each additional restaurant to be developed under the Area Development Agreement. The development fee is applied pro rata to the initial franchise fees due for each restaurant to be developed after the first. Your estimated initial investment will vary based on the number of restaurants to be developed.

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 It’s Boba Time, Inc. at the address and telephone number provided in this page.

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 contracts 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.

Date of Issuance: June 29, 2016

Franchise Coordinator: James Kim

James Kim has served as our Franchise Coordinator since May 2014 and oversees the development of our franchise stores. Prior to joining our company, he was a computer technician at JSK Computer Service, Inc. in Los Angeles, California from February 2009 to April 2013.

Site Development Coordinator: Daniel Heo

Daniel Heo has served as our Site Development Coordinator since October 2015 and is in charge of new corporate & franchised store development. Prior to joining us, Daniel served various roles at NAEROK Group Int'l, Inc. in Los Angeles, California and Del Richardson & Associates, Inc. in Inglewood, California (managed by NAREOK Group Int'l Inc.), including as Executive Assistant to Operations Controller, from October 2013 to May 2015. From August 2010 to July 2013, Daniel served in the United States Army as a commissioned officer.

**ITEM 3
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

No bankruptcies are required to be disclosed in this Item.

**ITEM 5
INITIAL FRANCHISE FEE**

Franchise Agreement

You must pay a uniform initial franchise fee of \$35,000 (“Initial Franchise Fee”). The Initial Franchise Fee is paid in a lump sum when you sign the Franchise Agreement and is non-refundable. The sum of \$35,000 is payable by all franchisees who buy a franchise. The Initial Franchise Fee will be reduced to \$25,000 for your second and any additional It’s Boba Time Juice and Snack Bars.

We use the initial franchise fee to cover the costs of evaluating your proposed site, training you and your employees, and helping you develop and open your It’s Boba Time Juice and Snack Bar. There is no reduction or refund of any part of the initial franchise fee even if only one individual attends the initial training program, as discussed in Item 11 herein.

Area Development Agreement –Deposit Fee

When you sign the Area Development Agreement, you must pay us a deposit fee equal to

the sum of (i) 100% of the initial franchise fee (\$35,000) for the first Juice and Snack Bar to be developed under the Area Development Agreement; and (ii) \$12,500 of the initial franchise fee payable for each succeeding Juice and Snack Bar to be developed under the same Area Development Agreement (“Deposit Fee”). The pro rata portion of your Deposit Fee allocable to each Juice and Snack Bar will be credited against the initial franchise fee due for that Juice and Snack Bar. The Deposit Fee is calculated in the same way for all franchisees entering into Area Development Agreements, but the actual dollar amount paid will vary depending on the number of Juice and Snack Bars you agree to develop. The Deposit Fee is not refundable.

ITEM 6 OTHER FEES

Type of Fee ¹	Amount	Due Date	Remarks
Royalty Fees	5% of Gross Sales	Paid weekly by electronic funds transfer on the Juice and Snack Bar Gross Sales for the preceding week	“Gross Sales” means all revenue from the sale of services and products and all other income related to the Franchised Business, except sales taxes. Royalty Fees are payable by automatic debit, and funds must be made available in your account for withdrawal. See note 2
Marketing Fees	2% of Juice and Snack Bar Gross Sales	Paid weekly by electronic funds transfer on the Juice and Snack Bar Gross Sales for the preceding week	This fee is due and payable at the same time and in the same manner as the Royalty Fee
Supplemental and/or Additional Training Fee	\$250 per day	Upon confirming the scheduling of supplementary and/or additional training	You must pay ongoing training fees for any additional training requested by you or training for replacement Designated Manager
Audits	Cost of audit (\$1,000 – \$2,000) plus interest at the maximum rate allowable by law	Immediately upon receipt of bill	If we audit you and find that you understated Juice and Snack Bar Sales by 2% or more, you must reimburse us for the cost of the audit.
Transfer Fee	\$10,000	Upon request for transfer	No transfer fee is required if the transfer is to a corporation you own 100% of and formed only

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