



FRANCHISE DISCLOSURE DOCUMENT

Lollicup Franchise System LLC

a California limited liability company

6185 Kimball Ave.

Chino, California 91708

626-965-8882

Alan@lollicup.com

Lollicupfresh.com

Lollicup Franchise System LLC grants franchises involving a distinctive system for the operation of a brick and mortar retail store offering and selling beverages with or without tapioca (“boba”), including teas, iced teas, tea-based smoothies, frozen tea confections, coffee based drinks, flavored milk based drinks and juices, and can include complementary menu items, such as soups and popcorn chicken. When you sign your Franchise Agreement, you pay us: i) an Initial Franchise Fee of \$25,000 for a single Lollicup Store franchise, which will be reduced to \$10,000 if you are in the inaugural group of franchisees (the first 15 franchisees signing a franchise agreement after November 15, 2016), and ii) an Initial Training Fee of \$10,000. The total investment necessary to begin operation of a Lollicup Store is \$195,250 to \$558,250. This includes the \$26,000 to \$46,000 (excluding any area Development Fees) that must be paid to the franchisor and/or its Affiliates, as appropriate.

We also offer candidates who we believe to be qualified an area development agreement, which requires an area developer to establish and open more than one Lollicup Store within a defined geographical area. Under an area development agreement you must pay a Development Fee of \$17,500 multiplied by the number of Stores you agree to open. We then give you a credit of \$17,500 against the total Initial Franchise Fee due each time you sign the Franchise Agreement applicable to each Store you commit to open. However, if you sign a franchise agreement with an inaugural addendum in conjunction with your Area Development Agreement, then the development fee will be \$10,000, plus \$17,500 for the second and each subsequent unit to be developed under the Area Development Agreement. In that case, you will receive a \$10,000 credit against the franchise fee owed under the inaugural franchise agreement and a \$17,500 credit against the total Initial Franchise Fee due each time you sign the franchise agreements applicable to the second and subsequent Stores you commit to open. You will also pay an Initial Training Fee of \$10,000 for each Store you agree to open when you sign the Franchise Agreement for that Store.

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 the 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

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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 Mia Sun at 6185 Kimball Ave., Chino, California 91708 or 626-965-8882, ext. 177.

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, DC 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: May 18, 2021

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 D.
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 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 Lollicup Store 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 Lollicup franchisee?	Item 20 or Exhibit D 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 the disclosure document to better understand this franchise opportunity. See the table of contents.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/lollicup>