

## FRANCHISE DISCLOSURE DOCUMENT

Meet Fresh Franchising LLC a California limited liability company 227 North Sunset Avenue City of Industry, California 91744 (626) 560-9546 tp812@easyway-group.com www.meetfresh.us R



We offer single unit franchises awarding the right to operate a brick and mortar dessert store under the Meet Fresh trademarks and business systems featuring Taiwanese desserts and beverages such as taro balls, grass jelly, shaved ice, tofu pudding, tea-based beverages, as well as other complementary menu items.

The total investment necessary to begin operation of a Meet Fresh store is \$799,500 to \$1,180,500. This includes \$100,000 to \$140,000 that must be paid to us or our affiliate.

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 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 Ching-Yi Fu, Director of Franchising, Meet Fresh Franchising, LLC, 227 North Sunset Avenue, City of Industry, California 91744 or (telephone (626) 560-9546), tp812@easyway-group.com.

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, 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.

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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 state franchise administrator listed in Exhibit E 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:

## **Risk Factors:**

- 1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION. IF MEDIATION IS UNSUCCESSFUL, THEN DISPUTES WILL BE RESOLVED BY ARBITRATION, WITH LIMITED EXCEPTIONS. ANY MEDIATION OR ARBITRATION WILL BE HELD AT A NEUTRAL LOCATION IN LOS ANGELES COUNTY, CALIFORNIA. OUT-OF-STATE MEDIATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE OR ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA 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.
- 3. YOU MUST COMPLY WITH MINIMUM AND/OR MAXIMUM PRICES SET BY THE FRANCHISOR FOR THE GOODS AND SERVICES YOU SELL. THIS REQUIREMENT MAY REDUCE YOUR ANTICIPATED REVENUE AND PROFIT.
- 4. YOU MUST PARTICIPATE IN ANY PROMOTIONAL PRICING ESTABLISHED BY THE FRANCHISOR. THIS REQUIREMENT MAY REDUCE YOUR ANTICIPATED REVENUE AND PROFIT.
- 5. YOU MUST PURCHASE SOME OF THE INVENTORY OR SUPPLIES THAT ARE NECESSARY TO OPERATE YOUR BUSINESS FROM THE FRANCHISOR'S AFFILIATE LOCATED IN TAIWAN, AT PRICES THE FRANCHISOR OR IT SETS. THESE PRICES MAY BE HIGHER THAN PRICES YOU CAN OBTAIN ELSEWHERE FOR THE SAME OR SIMILAR GOODS. THE AFFILATE, BEING LOCATED IN TAIWAN, COULD ALSO IMPACT DELIVERY OF PERISHABLE GOODS, ALONG WITH IMPORT AND SHIPPING COSTS. THESE THINGS MAY REDUCE THE ANTICIPATED PROFIT OF YOUR FRANCHISE BUSINESS.



- 6. YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN THOUGH YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.
- 7. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.
- 8. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page of this Disclosure Document.

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