

FRANCHISE DISCLOSURE DOCUMENT

Paradis Group USA LLC A California limited liability company 444 E. Washington Blvd Los Angeles, CA 90015 URL: www.paradisicecream.com



The franchised business is the operation of dine-in and carry-out "Paradis cafes," featuring a modern decor and offering regularly delivered, freshly made, high quality Danish-style ice cream, as well as chocolates, hot and cold drinks and beverages, baked goods, desserts, and other related products.

The total investment necessary to begin operation of a new franchised Paradis cafe ranges from \$213,000 to \$429,000 subject to factors such as inflation and market value. This includes \$25,000 that must be paid to the franchisor.

We may sell rights to qualified individuals or entities to develop three or more Paradis cafes in a single, exclusive development area. A multi-unit operator pays a development fee equal to the sum of \$25,000 for the first Paradis cafe and \$15,000 for each additional Paradis cafe to be developed under the multi-unit development agreement. The total investment necessary varies based on the number of Paradis cafes to be developed. For example, if you sign a development agreement to develop and open three Paradis cafes, your total investment necessary to begin operation of your first Paradis cafe ranges from \$243,000 to \$459,000. This includes \$55,000 that must be paid to the franchisor.

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 payments 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 Ramy F. Mukssood, Paradis Group USA LLC, 444 E. Washington Blvd, Los Angeles, CA 90015, or <u>ramy@paradisicecream.com</u>.

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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, such as 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 "<u>A</u> <u>Consumer's Guide to Buying a Franchise</u>," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You may 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 http://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: April 23, 2021



How to Use This Franchise Disclosure Document

Here are some questions that 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 G.
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 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 I 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 Paradis 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 a Paradis Café franchisee?	Item 20 or Exhibit G 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 this disclosure document to better understand this franchise opportunity. See the table of contents.

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