

California Area Franchise

PRESOTEA



Franchise Disclosure Document

Area Franchise

PRESOTEA (USA), CO., LTD.
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The franchise offered is an Area Franchise to develop, own and operate “made to order” fresh brewed tea shops called Presotea (hereafter (“shop” or “store”), operating under the Marks and using the System as described in this document, and the Operations Manual. The Area Franchise requires the opening of 21 Presotea Shops in the protected territory, within 6 years of the signing of the Area Franchise Agreement. The total investment necessary to begin operation of the Presotea Area franchise ranges from \$221,000 to \$371,000, of which \$20,000 is for required initial training, \$55,000 is for required equipment, \$18,000 is for required branding, and \$50,000 is for required opening inventory of supplies and food, which must be paid to the Franchisor or its affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you can 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 either of the below individuals via email as indicated:

KAH, TZE SIANG, via email to: jackson@presotea.com

MIN, YAO-TSUNG, via email to: jackmin@presotea.com

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 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: February 21, 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 Master franchisees. You can find their names and contact information in Item 20 or Attachment C.
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 Attachment 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 PRESOTEA 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 PRESOTEA franchisee?	Item 20 or Attachment C lists current and former Master franchisees. You can contact them to ask about their experiences.

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