

## FRANCHISE DISCLOSURE DOCUMENT



Reis & Irvy's, Inc.  
a Nevada corporation

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San Diego, California 92117  
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(858) 210-4200  
[www.reisandirvys.com](http://www.reisandirvys.com)  
[www.froyobusiness.com](http://www.froyobusiness.com)  
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As a franchisee, you will own and operate robotic frozen yogurt vending machines ("Robots") that dispense a frozen yogurt treat in approved locations such as museums, entertainment venues, retail locations, business offices, hotels, hospitals, schools, universities and industrial facilities.

The total investment necessary to begin operation of a Reis & Irvy's franchise business is \$160,950 to \$593,900. This amount includes \$22,500 to \$510,000 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 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 Art Budman at 2620 Financial Court, Suite 100, San Diego, California 92117, telephone 888-902-7558 (Toll Free).

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](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: October 2, 2017

## 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 FRANCHISE DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A 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:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO SUBMIT DISPUTES WITH US TO MEDIATION PRIOR TO FILING ANY LITIGATION. MEDIATION AND ANY LITIGATION WILL TAKE PLACE IN THE COUNTY IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED (CURRENTLY, SAN DIEGO COUNTY, CALIFORNIA). OUT OF STATE MEDIATION AND/OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE OR LITIGATE 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 YOU WITH THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. OUR PARENT COMPANY, WHICH GUARANTEES THE PERFORMANCE OF OUR OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, IS CURRENTLY OPERATING AT A LOSS. ITS BALANCE SHEET AS AT JUNE 30, 2017, SHOWS NEGATIVE WORKING CAPITAL IN THE AMOUNT OF (\$18,339,602) AND A STOCKHOLDERS' DEFICIT IN THE AMOUNT OF \$(17,224,218). YOU SHOULD TAKE THIS FACTOR INTO CONSIDERATION WHEN DECIDING WHETHER TO PURCHASE A FRANCHISE.

4. YOUR SPOUSE MAY BE REQUIRED TO SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, EVEN THOUGH YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE BUSINESS. THIS GUARANTY WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

Reis & Irvy's, Inc.  
2017\_10 Franchise Disclosure Document  
1202.005.008/209125.4

## STATE EFFECTIVE DATES

The following states require the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California effective date:	Pending
Hawaii effective date:	Pending
Illinois effective date:	October 3, 2017
Indiana effective date:	October 3, 2017
Maryland effective date:	Pending
Michigan effective date:	October 2, 2017
Minnesota effective date:	Pending
New York effective date:	Pending
North Dakota effective date:	Pending
Rhode Island effective date:	Pending
South Dakota effective date:	October 3, 2017
Virginia effective date:	Pending
Washington effective date:	Pending
Wisconsin effective date:	October 2, 2017

In all other states that do not require registration, the effective date of this Disclosure Document is the issuance date of October 2, 2017.

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