

FRANCHISE DISCLOSURE DOCUMENT



RITA'S FRANCHISE COMPANY, LLC
a Delaware Limited Liability Company
1210 NORTHBROOK DRIVE, SUITE 310
TREVOSE, PA 19053
1-800-677-7482
www.ritasice.com

The franchise offered is a business format franchise for a retail shop offering to the public Franchisor's Italian ice and other approved menu items including soft pretzels and Rita's Old Fashioned Custard frozen custard under the trade name "RITA'S ICE-CUSTARD-HAPPINESS".

The total investment necessary to begin operation of a Rita's franchised business is between \$150,500 and \$440,900. These figures includes between \$18,300 to \$65,400 that must be paid to the franchisor or its affiliate. The total investment necessary to begin operation of an Express Rita's franchised business is between \$100,500 and \$324,400. These figures include between \$8,000 to \$33,900 that must be paid to the franchisor or its affiliate.

If you enter into an agreement for a Rita's franchised business you will have the opportunity to enter into an addendum to operate a Fixed Location Satellite Unit or a Mobile Satellite Unit. The total investment necessary to begin operation of a Rita's Fixed Location Satellite Unit is between \$108,700 and \$294,300. These figures include between \$5,300 to \$29,100 that must be paid to the franchisor or its affiliate for the Fixed Location Satellite Unit Agreement. If you chose to operate a Mobile Satellite Unit the total investment necessary is between \$22,200 and \$145,300. These figures include between \$5,000 to \$13,700 that must be paid to the franchisor or its affiliate for the Mobile Satellite Unit Agreement.

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 Rita's Franchise Company, LLC, Franchise Department, at 1210 Northbrook Drive, Suite 310, Trevose, PA 19053 and (800) 677-7482.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire 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 "[Buying a Franchise, A Consumer Guide](#)," 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.

Issuance Date: February 10, 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 DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A of the disclosure document 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 AGREEMENTS REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION OR ARBITRATION ONLY IN THE CITY NEAREST TO OUR PRINCIPAL PLACE OF BUSINESS. OUT-OF-STATE MEDIATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST YOU MORE TO MEDIATE OR ARBITRATE IN PENNSYLVANIA (OR ANOTHER STATE) THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT PENNSYLVANIA LAW GOVERNS EACH AGREEMENT, AND THESE LAWS MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. IF AN ARBITRATOR WOULD NOT HAVE JURISDICTION WITH RESPECT TO ANY CLAIM YOU MAY HAVE OR A CLAIM CANNOT BE ARBITRATED AS A MATTER OF LAW, THE FRANCHISE AGREEMENT REQUIRES YOU TO SUE US ONLY IN PHILADELPHIA COUNTY, PENNSYLVANIA OR THE UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF PENNSYLVANIA. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST YOU MORE TO LITIGATE IN PENNSYLVANIA (OR ANOTHER STATE) THAN IN YOUR HOME STATE.
4. SPOUSES OF FRANCHISE OWNERS MUST SIGN A PERSONAL GUARANTY MAKING HIM/HER JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE, WHETHER OR NOT SUCH SPOUSE IS INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF THE FRANCHISE OWNER AND SPOUSE AT RISK.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: (See attached list of state effective dates.)

State Effective Dates

The following states require that this Disclosure Document be registered or filed with the state, or that an exemption from registration be filed: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, Wisconsin, Connecticut, Nebraska, Kentucky, Utah, Florida and Texas.

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

State	Registration Status
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending
Connecticut	Pending
Florida	Pending
Kentucky	Pending
Nebraska	Pending
Utah	Pending
Texas	Pending

All other states: February 10, 2017

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