

FRANCHISE DISCLOSURE DOCUMENT



SAN JUAN FRAPPÉS PR FRANCHISING LLC

A Puerto Rico Corporation
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SAN JUAN FRAPPÉS PR FRANCHISING LLC a Puerto Rico Corporation is offering franchises for the operation of business under the name SAN JUAN FRAPPÉS offering fruit smoothies (frappés), candy and chocolate smoothies (frappés), cake smoothies (frappes), beverages, and other products developed by or for SAN JUAN FRAPPÉS PR FRANCHISING LLC. SAN JUAN FRAPPÉS products are sold from either fixed store front, non traditional locations such as mall, airports or business complexes or from portable units placed at locations on a permanent basis or events that occur on periodic basis or are held in special or temporary venues.

Two separate franchises are being offered under this Disclosure Documents. A “Single Unit Franchise” enables you to own and operate one SAN JUAN FRAPPÉS franchised business within Puerto Rico and a “Multi-Unit Franchise” enables you to own and operate two ore more SAN JUAN FRAPPÉS franchised business within Puerto Rico.

The total investment necessary to begin operation of an SAN JUAN FRAPPÉS franchised business ranges from \$60,000.00 to \$87,500.00 for a Mobile Franchise Unit (Item 1) (increasing to \$60,500.00 to \$89,000.00 if you operate an approved Mobile Franchise Unit at a permanent site). This includes items that will be paid to our affiliate or to us. The total investment necessary to begin operation of an SAN JUAN FRAPPÉS franchised business ranges from \$95,000.00 to \$220,500.00 for a Fixed Franchise Unit (item 1). These include items that will be paid to our affiliate or to us. (Items 5)

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 the 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 SAN JUAN FRAPPÉS PR FRANCHISING LLC at (787) 918-0202 or email to franchising@sanjuanfrappes.com.

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 "*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.

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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 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 AGREEMENTS REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN SAN JUAN, PUERTO RICO. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH THE FRANCHISOR IN PUERTO RICO THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT PUERTO RICO LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We 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.

Note: The agreement provisions referred to in the risk factors may be void under some state franchise laws.

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