

FRANCHISE DISCLOSURE DOCUMENT



TBAAR GROUP, LLC
A Nevada Limited Liability Company
119-12 29th Ave.
Flushing, NY 11354
Phone: (877) 648-2227
Email: tbaarus@gmail.com
<http://www.tbaar.com>

We offer qualified individuals and entities a franchise for the right to independently own and operate an establishment featuring a variety of bubble tea, fruit smoothies, and fresh fruit and vegetable juices that are made in accordance with our proprietary recipes and ingredients, as well as any other items that we authorize (each, a “Café”). Each Café is licensed to use our proprietary business operating system (the “System”) and our proprietary marks, including the mark TBAAR (the “Proprietary Marks”). We also offer qualified parties the right to own and operate three (3) or more Cafés within a development area that we designate.

The total initial investment necessary to begin operation of a Café ranges from \$150,850 to \$372,900, which includes \$48,500 to \$51,500 you must pay to franchisor or its affiliates prior to opening.

The total investment necessary to operate three (3) or more Cafés under our form of area development agreement depends on the number of franchises we grant you the right to open. The total investment necessary to enter into a development agreement for the right to develop three (3) Cafés is \$175,850 to \$397,900, which includes (1) a development fee amounting to \$60,000 payable to us upon execution of your development agreement, and (2) the total investment to open and commence operations of your initial Café.

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 Gary Lin, c/o Tbaar Group LLC at 119-12 29th Ave., Flushing, NY 11354, or at telephone number at (877) 648-2227.

The terms of your contract will govern your franchise relationship. Do not 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-FTCHEL 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.

Issue Date: April 30, 2018

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 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 FRANCHISED 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. AT OUR OPTION, THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE ALL DISPUTES WITH US BY MEDIATION ONLY IN NEW YORK (AT OUR CORPORATE OFFICES OR OTHER LOCATION WE DESIGNATE). OUT OF STATE MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE WITH US IN THE STATE OF NEW YORK THAN IN YOUR OWN STATE. ANY DISPUTES WITH US NOT SUBJECT TO MEDIATION MUST BE RESOLVED BY LITIGATION ONLY IN NEW YORK. IT MAY COST YOU MORE TO LITIGATE WITH US IN THE STATE OF NEW YORK THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATE THAT NEVADA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE SYSTEM IN A SYSTEM WITH A LONGER OPERATING HISTORY.
4. THE FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (SEE ITEM 21), CALLS INTO QUESTION THE FRANCHISOR'S FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.
5. IF THE FRANCHISEE IS AN INDIVIDUAL, WE REQUIRE THAT THE FRANCHISEE'S SPOUSE EXECUTE THE FRANCHISE AGREEMENT DIRECTLY OR A PERSONAL GUARANTY. IF THE FRANCHISEE IS A BUSINESS ENTITY, EACH OWNER OF THE FRANCHISEE ENTITY AND, AT FRANCHISOR'S OPTION, THE RESPECTIVE SPOUSES OF EACH OWNER MUST EXECUTE A PERSONAL GUARANTY. THIS PLACES THE PERSONAL ASSETS OF THESE INDIVIDUALS AND, IF APPLICABLE, THEIR SPOUSES AT RISK.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/tbaar>