

FRANCHISE DISCLOSURE DOCUMENT

KIOSK CONCEPTS, INC. a New York corporation 1110 South Avenue Staten Island, New York 10314 Telephone: (212) 768-SOUP www.originalsoupman.com info@originalsoupman.com

THE ORIGINAL **S@UPMAN**

Franchisee will operate an outlet that sells proprietary gourmet soups, chili's, stews, desserts, wraps and non-proprietary products like salads, sandwiches, specialty coffees, soft drinks and other beverages. We offer franchises for retail soup locations and co-branded locations.

The total investment necessary to begin operation of an Original Soup Man franchise is \$116,500 to \$357,000 for a stand-alone franchise. This includes \$35,000 that must be paid to the franchisor and/or its affiliate, as appropriate. The total investment necessary to begin operating a SoupMan Mobile Franchise is \$61,500 to \$169,000. That includes a \$15,000 franchise fee that must be paid to the franchisor and/or its affiliate, as appropriate. The total investment necessary to begin operation of an Original Soup Man co-branded franchise is \$62,000 to \$143,000, which will include the majority of our menu offering. This includes a \$20,000 franchise fee that must be paid to the franchisor and/or its affiliate, as appropriate. If you commit to develop 2 Outlets, the investment necessary to begin operation as an area developer is \$53,850 to \$55,850. This includes \$48,750 that must be paid to the franchisor. The total investment will depend on the number and type of Outlets that an area developer commits to develop.

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 or grant. 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 Robert Bertrand at 1110 South Avenue, Staten Island, New York 10314 and (212) 768-7687.

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 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.



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 AND DEVELOPMENT AGREEMENTS REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN NEW YORK. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE IN NEW YORK THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AND DEVELOPMENT AGREEMENTS STATE THAT NEW YORK 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. AS PER THE AUDITED BALANCE SHEET DATED DECEMBER 31, 2013, THE FRANCHISOR HAD A NET WORTH DEFICIENCY OF \$(1,903,170).
- 4. YOU MUST SIGN A PERSONAL GUARANTY MAKING YOU LIABLE FOR THE OBLIGATIONS OF THE FRANCHISE. THIS REQUIREMENT PLACES YOUR PERSONAL ASSETS AT RISK.
- 5. 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.

Effective Date: See the next page for state effective dates



STATE EFFECTIVE DATES

The following states require that this 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

Connecticut Exempt

Florida December 27, 2013

Hawaii Illinois Indiana

Kentucky November 24, 2004

Maine Exempt

Maryland Michigan Minnesota

Nebraska August 7, 2006 New York June 18, 2014 North Carolina Exempt

North Dakota

Rhode Island

South Carolina Exempt

South Dakota

Texas October 18, 2004

Utah Virginia Washington Wisconsin

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