

RECEIVED**JUN 17 2013**Department of Corporations
Los Angeles**FRANCHISE DISCLOSURE DOCUMENT**

ZINGA FRANCHISE GROUP LLC

A Delaware Limited Liability Company

7045 Gateway Court,

Manassas, VA 20109

Telephone Number (703) 945-6300

Mdamico@zingafroyo.com

ZINGA® franchisees will operate one or more quick-service, mostly self-service, frozen dessert and beverage retail stores

ZINGA® offers two franchising programs. First, a single store franchising program is available. Second, a Multi-Unit Area Development Agreement (“DA” or “Development Agreement”) is available that will require the franchisee, over a period of time, to open more than one retail store in its designated territory.

- 1 **Single Store Program and Agreement** The total investment necessary to begin operation of a ZINGA Franchise Group LLC franchise business is \$267,000 to \$497,500. This includes \$25,000 that must be paid to ZINGA or our affiliates prior to the opening of your Store.
- 2 **Multiple Store Program/Area Development Agreement.** The total estimated investment for multi-unit franchisee to open its first store is the same as the initial investment for single store franchise to open from \$267,000 to \$497,500. In addition, ZINGA will charge an additional initial franchise fee of \$12,500 per additional store (in addition to the one additional store) upon execution of a multi-store franchise or area development agreement, with the balance of the then-applicable franchise fee (currently another \$12,500 per store) to be paid upon opening or signing the franchise agreement for each additional store.

This Franchise Disclosure Document (“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 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 Michael J D'Amico at 7045 Gateway Ct , Manassas, VA 20109, Phone Number (703) 945-6300, Mdamico@zingafroyo com

The terms of your contract will govern your franchise relationship Don't rely on this 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, 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

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 B 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 WE HAVE BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME (SINCE JANUARY 2011). THEREFORE, THERE IS LITTLE OPERATING HISTORY TO ASSIST YOU IN DECIDING WHETHER OR NOT TO MAKE THIS DECISION.
- 2 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION AND (SOMETIMES) LITIGATION IN VIRGINIA. OUT OF STATE MEDIATION, ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT OF DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH US IN VIRGINIA THAN IN YOUR OWN STATE.
- 3 THE FRANCHISE AGREEMENT AND ALL DISPUTES THEREUNDER ARE GOVERNED BY VIRGINIA LAW.
- 4 A VIRGINIA STATE COURT ACTION WAS FILED AGAINST ZINGA FRANCHISE GROUP, LLC (THE COMPANY) IN MARCH, 2012 REQUESTING ACTUAL DAMAGES UP TO \$200,000 AND PUNITIVE DAMAGES UP TO \$350,000. THE ORIGINAL COMPLAINT AND AN AMENDED COMPLAINT WERE DISMISSED BY THE COURT. CURRENTLY, THE CLAIM FOR DAMAGES REMAINS. THE CASE IS IN THE DISCOVERY PHASE. A FOUR-DAY TRIAL HAS BEEN SET TO BEGIN ON FEBRUARY 24, 2013. THE REISSUED FINANCIAL STATEMENTS DO NOT REFLECT THE POTENTIAL LOSS ASSOCIATED WITH THE ACTUAL DAMAGES AMOUNTING UP TO \$200,000 AND THE PUNITIVE DAMAGES AMOUNTING UP TO \$350,000 SHOULD THE COMPANY LOSE THIS CASE.
- 5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We do not currently employ any multi-system franchise brokers, but reserve the right to do so in the future.

The states listed in Exhibit B may require registration or filing of this franchise offering.

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