

FRANCHISE DISCLOSURE DOCUMENT



ZOUP! SYSTEMS, L.L.C.
a Michigan limited liability company
28290 Franklin Road
Southfield, MI 48034
Phone: 248-663-1111
Fax: 248-663-9880
Email: franchise@zoup.com
Website: www.zoup.com
www.facebook.com/zoup!franchisebusiness

The franchise is for the establishment and operation of a Zoup! Eatery Restaurant. A Zoup! Eatery Restaurant is a fast casual restaurant featuring a wide variety of soups, bowls, sandwiches and salads. You may purchase a single franchise or an area development franchise.

The total investment necessary to begin operation of a Zoup!® Eatery Restaurant is from \$357,900 to \$650,500. This includes \$39,900 that must be paid to the franchisor or its affiliates. If you agree to open at least two Restaurants, you may enter into an Area Development Agreement with us. If you enter into an Area Development Agreement with us, your initial investment will increase by the additional amount of the area development fee (\$20,000 for two Restaurants to \$65,000 for five restaurants), so your initial investment will be from \$377,900 to \$715,500. This includes \$59,900 to \$104,900 that must be paid to the franchisor or its affiliates.

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 to you. To discuss the availability of disclosures in different formats, contact our business office at 28290 Franklin Road Southfield, MI 48034 or via telephone at 248-663-1111, Ext. 102.

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 our 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, 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: April 1, 2019.

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:

THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION AND LITIGATION IN MICHIGAN. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN MICHIGAN THAN IN YOUR OWN STATE.

THE FRANCHISE AGREEMENT STATES THAT MICHIGAN 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.

YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN THOUGH YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOU AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING OUR HOUSE, AT RISK IF OUR FRANCHISE FAILS.

YOU MUST REFURBISH YOUR FRANCHISE LOCATION WITHIN SIX MONTHS OF OUR REQUEST AND MUST ACQUIRE SUCH EQUIPMENT, FIXTURES AND OTHER ITEMS AS SPECIFIED BY US. THERE IS NO LIMIT ON THE FREQUENCY OF REFURBISHING OBLIGATIONS.

THE WEBSITE, SOUP TRACKING SYSTEM, POS SYSTEM AND Z!NET MUST BE USED BY YOU IN YOUR BUSINESS. THE ABOVE SYSTEMS ARE PROVIDED AS-IS AND WE AND OUR AGENTS DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED. THE USE WILL BE AT YOUR SOLE RISK.

THERE MAY BE OTHER RISK FACTORS 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 make sure to do your own investigation of the franchise.

STATE EFFECTIVE DATES

This franchise disclosure document is registered, on file or otherwise effective in the following states with franchise registration and disclosure laws:

<u>State</u>	<u>Effective Date</u>
Illinois	
Indiana	April 17, 2018
Maryland	
Michigan	April 6, 2018
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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