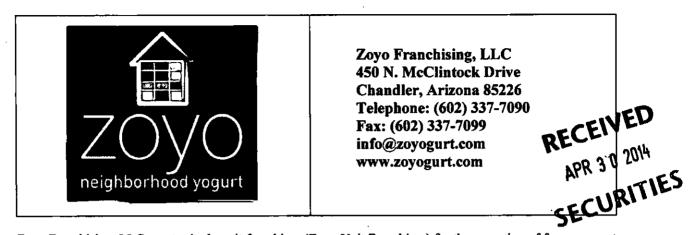


FRANCHISE DISCLOSURE DOCUMENT



Zoyo Franchising, LLC grants single-unit franchises (Zoyo Unit Franchises) for the operation of frozen yogurt shops under the name "Zoyo Neighborhood Yogurt." Zoyo Neighborhood Yogurt shops are self-service frozen yogurt shops that provide a wide variety of delicious frozen yogurt flavors, toppings and sauces, and other related products and services. We also grant Zoyo regional developer franchises ("Regional Developer Franchises") which recruit prospective Zoyo Unit Franchises in designated development areas, provide certain sales and support services to Zoyo Unit Franchises located in the development areas, and may establish and operate one Zoyo Unit Franchise as a Pilot Franchise in their development areas.

The total investment necessary to begin operation of a Zoyo Unit Franchise ranges from \$150,200 to \$315,500. This includes \$35,000 that must be paid to us or our affiliates. The total investment necessary to begin operation of a Zoyo Regional Developer Franchise ranges from \$253,050 to \$616,000, if you choose to operate a Pilot Franchise and from \$140,050 to \$353,000 if you operate a Zoyo Regional Developer Franchise without a Pilot Franchise. This includes between \$136,000 and \$335,000 that must be paid to us or our affiliates.

This franchise disclosure document ("Disclosure Document" or "FDD") 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 fourteen (14) calendar days before you sign a binding agreement with, or make any payment to, us 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 Aaron Klusman, Zoyo Franchising, LLC, 450 N. McClintock Drive, Chandler, Arizona, 85226, (602) 337-7090.

The terms of your contract will govern your franchise relationship. Don't rely on the FDD alone to understand your contract. Read your entire contract carefully. Show your contract and this FDD 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 "Buying a Franchise, A Consumer Guide" 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 <u>www.ftc.gov</u> for additional information on franchising. Call your state agency or visit your public library for other sources of information on franchising.

There may be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 30, 2014

Zoyo Franchising, LLC – FDD



STATE COVER PAGE

Your state may have a franchise law that requires a franchise 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, about other franchisors, 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 AGREEMENT AND THE REGIONAL DEVELOPER AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION OR LITIGATION IN ARIZONA ONLY. OUT OF STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ENGAGE IN MEDIATION OR LITIGATION WITH US IN ARIZONA THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT AND THE REGIONAL DEVELOPER AGREEMENT STATE THAT ARIZONA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. THE FRANCHISEE'S SPOUSE MUST SIGN A PERSONAL GUARANTY MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT WHICH ALSO PLACES THE SPOUSE'S PERSONAL ASSETS AT RISK. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
- 4. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$140,050 TO \$616,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2013, WHICH IS \$45,554.
- 5. WE ARE A DEVELOPMENT STAGE COMPANY. OUR LIMITED OPERATING HISTORY WILL BE OF LITTLE ASSISTANCE TO PROSPECTIVE FRANCHISEES IN DETERMINING WHETHER TO INVEST.
- 6. THE FRANCHISOR HAS LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND THE FRANCHISOR'S PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES.
- 7. 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 is <u>our</u> agent and 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.

Please refer to the following "State Effective Dates" page for state-specific effective dates.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: https://franchisepanda.com/franchises/zoyo-neighborhood-yogurt