

FRANCHISE DISCLOSURE DOCUMENT



RITA'S FRANCHISE COMPANY, LLC
a Delaware Limited Liability Company
1210 NORTHBROOK DRIVE, SUITE 310
TREVOSE, PA 19053
1-800-677-7482
www.ritasice.com

The franchise will operate a Rita's shop featuring a menu of Italian ice, frozen custard and other approved menu items sold under the trade name "RITA'S ICE-CUSTARD-HAPPINESS".

The total investment necessary to begin operation of a standard Rita's shop is between \$172,225 and \$430,900. These figures include between \$50,000 to \$57,000 that must be paid to the franchisor or its affiliate. The total investment necessary to begin operation of an express Rita's shop is between \$125,225 and \$324,400. These figures include between \$33,000 to \$133,500 that must be paid to the franchisor or its affiliate. If you enter into an agreement for a standard Rita's shop or express Rita's shop, we may offer you the opportunity to enter into an addendum to operate a Rita's satellite shop and/or a Rita's mobile unit. The total investment necessary to begin operation of a Rita's satellite shop is between \$136,200 and \$299,900. These figures include between \$19,200 to \$25,500 that must be paid to the franchisor or its affiliate. The total investment necessary to begin operation of a Rita's mobile unit is between \$27,200 and \$144,600. These figures include between \$10,000 to \$13,000 that must be paid to the franchisor or its affiliate.

We also offer development rights for standard Rita's shops and express Rita's shops. The development fee for the first shop developed is \$30,000 for a standard Rita's shop or \$15,000 for an express Rita's shop, and the development fee is reduced for each additional Rita's shop developed under the development agreement. The development fee must be paid to the franchisor when the development agreement is signed.

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 Rita's Franchise Company, LLC, Franchise Department, at 1210 Northbrook Drive, Suite 310, Trevose, PA 19053 and (800) 677-7482.

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 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 "[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, 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: May 1, 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 THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit I of this franchise disclosure document 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 AGREEMENT AND DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN THE CITY NEAREST TO OUR PRINCIPAL PLACE OF BUSINESS. OUT-OF-STATE MEDIATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST YOU MORE TO ARBITRATE IN PENNSYLVANIA (OR ANOTHER STATE) THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATE THAT PENNSYLVANIA LAW GOVERNS EACH AGREEMENT. AND THESE LAWS MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. SPOUSES OF FRANCHISE OWNERS MUST SIGN A PERSONAL GUARANTY MAKING HIM/HER JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE, WHETHER OR NOT SUCH SPOUSE IS INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF THE FRANCHISE OWNER AND SPOUSE AT RISK.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

The effective dates of this Franchise Disclosure Document in the states with franchise registration laws in which we have sought registration appear on the following page.

State Effective Dates

The effective dates of registration or exemption in the states listed below are:

State	Effective Dates
California	January 26, 2018
Florida	February 21, 2018
Hawaii	
Illinois	Exempt February 28, 2018
Indiana	Exempt April 30, 2018
Maryland	Exempt February 23, 2018
Michigan	February 15, 2018
Minnesota	
New York	Exempt April 30, 2018
North Dakota	Exempt February 16, 2018
Rhode Island	Exempt February 19, 2018
South Dakota	February 5, 2018
Utah	January 25, 2018
Virginia	
Washington	Exempt February 21, 2018
Wisconsin	January 25, 2018

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