

FRANCHISE DISCLOSURE DOCUMENT



ZOUP! SYSTEMS, L.L.C.

a Michigan limited liability company

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Southfield, MI 48034

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The franchise business is a soup-differentiated fast casual restaurant business featuring a variety of soups, sandwiches and salads. You may purchase a single franchise or an area development franchise.

The total investment necessary to begin operation of a Zoup!® Restaurant is from \$365,900 to \$558,900. This includes \$42,900 that must be paid to the franchisor or its affiliates. If you enter into an Area Development Agreement for multiple Zoup!® Restaurants, the development fee is \$20,000 for each Restaurant to be developed in addition to your first Zoup!® Restaurant, which fee is applied against the initial franchise fee payable for each Zoup!® Restaurant.

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 corporate office at 28290 Franklin Road Southfield, MI 48034 or via telephone at 248-663-1111.

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 5, 2014.

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.

SPOUSE(S) OF FRANCHISE OWNERS MUST EXECUTE A PERSONAL GUARANTY MAKING SUCH SPOUSE(S) JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE WHETHER OR NOT SUCH SPOUSE(S) ARE INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS. THE PERSONAL ASSETS OF THE FRANCHISE OWNER(S) AND SPOUSE(S) ARE AT RISK.

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 5, 2014
Maryland	
Michigan	April 3, 2014
Minnesota	April 11, 2014
New York	
North Dakota	April 29, 2014
Rhode Island	April 9, 2014
South Dakota	April 22, 2014
Virginia	
Washington	
Wisconsin	April 8, 2014

NOTICE UNDER MICHIGAN'S FRANCHISE INVESTMENT LAW

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

1. A prohibition on the right of a franchisee to join an association of franchisees.
2. A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
3. A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.
4. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (1) the term of the franchise is less than five (5) years and (2) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months advance notice of franchisor's intent not to renew the franchise.
5. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
6. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
7. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - a. the failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards;
 - b. the fact that the proposed transferee is a competitor of the franchisor or sub-franchisor;
 - c. the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations; and

d. the failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

8. A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor the right of first refusal to purchase the assets of a franchisee on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subsection 3.

9. A provision which permits the franchisor to directly or indirectly convey, assign or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.

IF FRANCHISOR'S MOST RECENT UNAUDITED FINANCIAL STATEMENT SHOWS A NET WORTH OF LESS THAN ONE HUNDRED (\$100,000) DOLLARS, YOU HAVE THE RIGHT TO REQUEST THE ESCROW OF THE INITIAL INVESTMENT AND OTHER FUNDS PAID UNTIL OBLIGATIONS TO PROVIDE REAL ESTATE, IMPROVEMENTS, EQUIPMENT INVENTORY, TRAINING OR OTHER ITEMS INCLUDED IN THE FRANCHISE OFFERING ARE FULFILLED.

ANY QUESTIONS REGARDING THIS NOTICE MAY BE DIRECTED TO THE STATE OF MICHIGAN, DEPARTMENT OF ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE SECTION, G. MENNEN WILLIAMS BUILDING, 1ST FLOOR, LANSING, MICHIGAN 48913, TELEPHONE (517) 373-7117.

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EXHIBITS

- A LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
- B FRANCHISE AGREEMENT
- C AREA DEVELOPMENT AGREEMENT
- D OPERATING MANUAL TABLE OF CONTENTS
- E LIST OF ZOUP![®] RESTAURANTS
- F LIST OF FRANCHISEES THAT LEFT THE SYSTEM IN THE PAST FISCAL YEAR

G FINANCIAL STATEMENTS

H STATE SPECIFIC DISCLOSURES AND ADDENDA

I RECEIPTS (2 COPIES)

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN EXHIBIT H TO THIS FRANCHISE DISCLOSURE DOCUMENT.

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

The Franchisor is Zoup! Systems, L.L.C. In this disclosure document, the Franchisor will be referred to as "we," "us," or "Zoup!," and the person who buys the franchise will be referred to as "you." In order to distinguish between disclosure applicable to single franchises and area development franchises, the person who buys an area development franchise will sometimes be referred to as "area developer." If the prospective franchisee is a corporation, partnership, limited liability company or other entity, "you" will mean the entity and the owners of the entity and their spouses.

We are a Michigan limited liability company formed on September 2, 2002. We do business under our corporate name and the "Zoup!®" name. Our principal business address is 28290 Franklin Road Southfield, MI 48034. Our agents for service of process are attached to this disclosure document as Exhibit A.

We do not operate a business of the type to be operated by our franchisees. We offered Zoup! Restaurant franchises from January 2003 until June 2008 and since February 2010. In June 2008, our affiliate, Zoup of North America, LLC, began offering Zoup! Restaurant franchises as part of a joint venture between us and another company. That joint venture ended in February 2010. We do not engage in or offer franchises in any other line of business.

Parents, Predecessors and Affiliates

Our parent company is Zoup! Holding Co., LLC, a Michigan limited liability company formed on March 31, 2009 with a principal business address of 28290 Franklin Road, Southfield, Michigan 48034. Our parent company has never offered franchises in this or any other line of business. Our parent company does not provide products or services to our franchisees. We do not have any predecessors.

Our affiliate, Zoup! Fresh Soup Co., L.L.C. ("Zoup! Fresh Soup"), was a Michigan corporation formed in 1998 and converted to a Michigan limited liability company on March 14, 2001. Since 1998, Zoup! Fresh Soup has opened and operated Zoup!® Restaurants in the State of Michigan. Our affiliate, Zoup! IP, LLC, is a Michigan limited liability company formed on June 19, 2008. Zoup! IP, LLC owns the Trademarks (defined below) and licenses us the right to use and sublicense the Trademarks to our franchisees. Our affiliate, MODOC Supply, LLC ("MODOC"), is a Michigan limited liability company formed on March 22, 2006. MODOC may sell some goods to our franchisees. Our affiliate, Zoup! Northwestern, LLC ("Zoup! 101") is a Michigan limited liability company formed on August 18, 2010. Zoup! 101 has operated a Zoup!® Restaurant in Southfield, Michigan since January 2014. Our affiliate, Zoup! Somerset, LLC ("Zoup! 122") is a Michigan limited liability company formed on December 18, 2007. Zoup! 122 has operated a Zoup!® Restaurant in Troy, Michigan since August 2008. Our affiliate, Zoup! Specialty Products, LLC is a Michigan limited liability company formed August 22, 2012. Zoup! Specialty prepares and markets Zoup! Broth products and related items to grocery retailers and some Zoup!® Restaurants. The principal business address of each of our affiliates is 28290 Franklin Road, Southfield, Michigan 48034. Our affiliates have not offered franchises in this or any other line of business.

The Zoup!® Restaurant Franchise

We offer and sell Zoup!® Restaurant franchises. We may, in the future, engage in other activities, such as supplying goods to our franchisees. The Zoup!® Restaurant franchise is a soup-differentiated fast casual restaurant business featuring a variety of soups, sandwiches & salads. Under our system currently,

each restaurant offers 12 rotating soups, including low-fat, vegetarian, dairy-free and a variety of other selections. Each soup is served with a hunk of bread baked on site. A variety of salads, sandwiches, beverages and desserts are also served. The Zoup!® Restaurant offers online ordering, has seating and sells food from a counter for consumption in the eating area or for carry-out. The Zoup!® Restaurant will also package larger quantities of food for consumption by larger groups ("CaterZoup!"). These CaterZoup! packages may be picked up by the customer or you may deliver the packages to the customer if you choose to do so. The typical Zoup!® Restaurant is located in a retail shopping center and ranges from 1,700 to 2,600 square feet in size. A Zoup!® Restaurant will sometimes be referred to in this disclosure document as a "Restaurant."

The Zoup!® Restaurant franchise will operate under our proprietary trade names, trademarks and service marks, including "Zoup!®", the "Zoup!®" logo, the "Z!" logo, "!" logo, "Award-Winning Soup, Salad & Sandwiches", "SandwichZ!", "SaladZ!", "GreenZ!", "Try-Two" and "It's Not Just Soup, it's Zoup!" as may be changed in the future (the "Trademarks" or "Zoup!® Trademarks") and in accordance with our specifications, policies and procedures for operating a Restaurant as may be changed in the future (the "System" or the "Zoup!® System"). Our System includes promoting a Zoup!ism Culture in the Restaurants. A Zoup!ism Culture is a deliberately created customer-focused culture that empowers a franchisee's employees to best serve the customer and, consequently, the brand and the franchisee. The Zoup!ism Culture is created by following our Zoup!isms, which are currently 14 principles that represent our operating philosophy and cultural underpinnings.

If we approve you as a franchisee, you will acquire the right to operate a single Zoup!® Restaurant by entering into our standard Franchise Agreement with us in the form attached as Exhibit B (the "Franchise Agreement").

We also offer development rights to open a number of Zoup!® Restaurant franchises within a designated area. If we approve you as an area developer, you will acquire development rights by entering into an Area Development Agreement with us in the form attached as Exhibit C (the "Area Development Agreement"). The Area Development Agreement will specify a specific number of Zoup!® Restaurant franchises which you must open within a designated area in accordance with a development schedule. The number of Zoup!® Restaurant franchises and the development schedule are agreed to before signing the Area Development Agreement on the basis of, among other things, the size and population of the area and the number of potential locations for Zoup!® Restaurant franchises in the area. You must sign a separate Franchise Agreement for each Zoup!® Restaurant developed under the Area Development Agreement. You will sign the Franchise Agreement for your first Zoup!® Restaurant at the same time you sign the Area Development Agreement.

Market and Competition

A Zoup!® Restaurant franchise will primarily serve the public within the vicinity of the franchise location. The business of a Zoup!® Restaurant is seasonal, with higher sales generally correlated with cooler weather months. There is competition in the quick casual restaurant business. Examples of competitors include national, regional and local, franchised and independently owned restaurants.

Industry-Specific Regulations

There are no regulations specific to the industry in which the Zoup!® Restaurant franchise operates. You must, however, comply with federal, state and local laws and health regulations pertaining to restaurants and food handling generally, including any requirements for food handlers to have certain inoculations. For example, many health department and related codes and regulations require that food service businesses within their jurisdictions have at least one employee or staff member who has successfully

completed a food service manager or employee certification program. There may be other laws and regulations applicable to your business and we urge you to make inquiries about any laws or regulations that may impact your business.

ITEM 2 **BUSINESS EXPERIENCE**

Eric Ersher: Founder & CEO and Member



Mr. Ersher is a founder and CEO of Zoup! and has been a member of Zoup! since its formation on September 4, 2002. Mr. Ersher has also been a managing member of Zoup! of North America, LLC of Southfield, Michigan since June 24, 2008. Mr. Ersher has also been a managing member of Zoup! Fresh Soup of Southfield, Michigan since 1997. Eric is responsible for the Zoup! Brand and Culture.

Richard Simtob: President & Member



Mr. Simtob has been the President of Zoup! since January 2012. Richard served as a Principle and Senior Vice President for Development and Finance at Wireless Toyz Franchise LLC of Farmington Hills, Michigan from January 2004 to July 2009. Mr. Simtob was a licensed commercial real estate agent in Southfield, Michigan from October 2001 to November 2007. Richard has been the owner of Simtob Consulting Group Corp since June 2001. Richard is also a franchisee in a non-related franchise business and owns commercial real estate properties.

Richard E. Zimmer: Director of Franchise Development and Real Estate



Mr. Zimmer has been in Franchise Development for Zoup! since January 2004. Mr. Zimmer has also been in a Franchise Development role for PJE Enterprises, Fantastic Sams Master Franchisee, of Plymouth, Michigan since June 2002. Mr. Zimmer has been a licensed commercial real estate agent since July 2002. Richard is responsible for assisting our franchisees in the franchise qualification process and site selection in local markets.

Robert Kirma, Director of Design & Construction



Mr. Kirma has a Bachelor of Science degree in architecture and has been Director of Design & Construction for Zoup! since January 2009. From July 2005 to December 2008, Mr. Kirma was Vice President of Design & Construction for Wireless Toyz Franchise, LLC in Farmington Hills, Michigan. Robert manages Z! Track, the pre-opening process including design and construction support.

Kelly Karasiewicz: Director of Operations



Ms. Karasiewicz has been Director of Operations for Zoup! since February 2007. Ms. Karasiewicz has also served as the operations manager for and Zoup! Fresh Soup since February 2007. Ms. Karasiewicz was operations manager for Zoup! of North America, LLC of Southfield, Michigan from June 24, 2008 to February 2010. Kelly oversees franchise support and quality.

Christine Bessert: Director of Marketing



Mrs. Bessert has served as the Director of Marketing (and previously Marketing Manager) for Zoup! since October 2009. Ms. Bessert was an Independent marketing consultant for Kalamata Greek Café of Troy, Michigan from November 2008 to November 2009. From January 2006 to November 2008, Mrs. Bessert was the Local Store Marketing Coordinator for Chipotle Mexican Grill of Denver, Colorado. Christine is responsible for Zoup! franchise support, grand openings and brand marketing.

Anthony Inclima: Director of Procurement



Mr. Inclima has been Director of Procurement for Zoup! since August 2013. He has also served as Purchasing Manager and Supply Chain Specialist for Zoup! since January 2013. Mr. Inclima worked as a Senior Buyer for National Food Group of Novi, Michigan from January 2012 to January 2013 and as a Buyer/Supply Chain Specialist for Little Caesar Enterprises, Inc. of Detroit, Michigan from February 2010 to January 2012. Mr. Inclima also served as a Freight/Logistics Coordinator for Blue Line Foodservice Distribution of Farmington Hills, Michigan from June 2006 to February 2010. Anthony oversees product pricing, supply chain integrity, and supplier relationships.

ITEM 3
LITIGATION

Waldron Properties 11, LLC v. Zoup! Systems, LLC and Zoup! Systems, LLC v. Waldron Properties 11, LLC and Dennis Stevens, Oakland County, Michigan Circuit Court Case No. 13-136376-CK. This case was filed on September 23, 2013. The plaintiff is a franchisee of Zoup!. Zoup! sent a notice of termination to the plaintiff for failure to comply with POS system updating requirements and for failure to meet other standards. The plaintiff claims that Zoup! terminated the plaintiff’s franchise agreement without just cause and unjustifiably refused to allow a transfer of plaintiff’s franchise. The plaintiff claimed damages in excess of \$25,000 and requested injunctive relief to prevent the termination. Zoup! and plaintiff entered into Stipulated Order, which allows plaintiff to continue to operate its franchise pending a determination by the court. Zoup! then answered the complaint, denying plaintiff’s allegations, and counterclaimed against plaintiff and its principal for enforcement of the termination, trademark infringement, unfair competition and breach of contract. This case is in the discovery stage. Trial has been set for August 4, 2014.

Other than the action described above, no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Single Franchise Agreement - Initial Franchise Fee

You must pay us an initial franchise fee when you sign the Franchise Agreement (the "Initial Franchise Fee"). The standard Initial Franchise Fee is \$39,900 for your first Restaurant. For each subsequent Restaurant opened under an Area Development Agreement, the Initial Franchise Fee is \$20,000. The Initial Franchise Fee is considered earned at the time the Franchise Agreement is signed and is not refundable under any circumstances.

We are members of the International Franchise Association and participate in the International Franchise Association's VetFran Program. Under that program, we offer a \$2,500 discount on the Initial Franchise Fee to qualified veterans of U.S. Armed Forces who meet the requirements of the VetFran program. We have provided a \$10,000 discount on the Initial Franchise Fee to some existing franchisees when they purchased an additional franchise within three years of purchasing their original franchise.

Area Development Franchises – Area Development Fee

Under the Area Development Agreement, you must pay us a deposit of \$20,000 for each Zoup!® Restaurant you agree to develop in the designated development area (the "Development Fee"). The specific number of Restaurants to be opened is reflected in the Area Development Agreement. There is no minimum number of Restaurants you are required to commit to develop in order to sign an Area Development Agreement. The entire Development Fee is due and payable in a lump sum to us at the time the Area Development Agreement is signed. The Development Fee is fully earned when paid and is not refundable under any circumstances. When you sign the Franchise Agreement for each additional Zoup!® Restaurant to be opened under the Area Development Agreement, the \$20,000 deposit will be applied to the Initial Franchise Fee you owe for that Restaurant.

ITEM 6
OTHER FEES

Type of Fee⁽¹⁾	Amount	Due Date	Remarks
Royalty	6% of gross sales	Wednesday of each week	Based on gross sales during the preceding business week (Monday through Sunday) ⁽²⁾
National Brand Marketing Fund Contribution	1% of gross sales not to exceed 2% of gross sales	Wednesday of each week	Based on gross sales during the preceding business week (Monday through Sunday) ⁽³⁾

Type of Fee⁽¹⁾	Amount	Due Date	Remarks
Grand Opening Advertising	\$5,000	\$3,000 at the start of training and balance during the period beginning 2 months before opening and ending 4 months after opening	The \$3,000 is paid to a designated vendor to be spent for our grand opening advertising program and the balance is paid to advertising vendors
Training and Customer Service Fees	0.5% of gross sales not to exceed 1% of gross sales	Wednesday of each week	Based on gross sales during the preceding business week (Monday through Sunday). ⁽⁴⁾
Z!Net Technology License and Development Fee ⁽⁵⁾	\$36 per week	Wednesday of each week	
Advertising Cooperative	Amount determined by cooperative ⁽³⁾	As determined by the cooperative	If your Restaurant is included in an advertising cooperative group designated by us, you must maintain a membership in and abide by the decisions of the cooperative.
Maintenance and Repairs	Actual cost to us	On receipt of billing	If you fail to maintain your franchise location, we may do so at your expense.
Insurance	Actual cost to us	On receipt of billing	If you fail to purchase insurance, we may do so at your expense.
Additional Training	Currently \$100 per day or \$250 per day plus travel if provided at the franchise location	Before additional training	You may be required to attend and pay a reasonable fee for additional training. ⁽⁶⁾
Additional Assistance in Set-up and Opening	Currently \$100 per day or \$250 per day plus travel if provided at the franchise location	Before additional assistance	If you may request additional assistance in the initial set-up and opening of your Restaurant
Late Charge and Interest	\$25.00 per week late charge for each invoice not paid when due and 1.5% per month interest	On receipt of billing	If you do not pay any amounts due on time to us or our affiliates.
Transfer Fee (Franchise Agreement and Area Development Agreement)	\$15,000 \$15,000 per Zoup! [®] Restaurant developed under the Area Development Agreement	Before closing of the transfer	If you transfer your franchise or a controlling interest in the franchise or your interest in the Area Development Agreement.
Renewal Fee	\$7,500	At the time of renewal	If you renew your franchise

Type of Fee⁽¹⁾	Amount	Due Date	Remarks
Audit Expenses	Cost of audit	On receipt of our billing	If you fail to furnish financial reports or the audit discloses an understatement of 3% or more.
Indemnification (Franchise Agreement and Area Development Agreement)	Amount will vary under circumstances	As incurred	You must reimburse us if we incur liability from the operation of your franchise.
Costs and Attorneys fees (Franchise Agreement and Area Development Agreement)	Amount will vary under circumstances	As incurred	If we prevail in a judicial proceeding or if we engage a lawyer because of your failure to comply with the Franchise Agreement or Area Development Agreement.
Annual Hardware & Software Maintenance & Online & Smartphone Ordering Subscription Fees	\$2,600 to \$3,400 per year	On receipt of billing	These services are provided by a designated supplier, but are billed by and paid to us. See Item 11.
Relocation Fee	\$7,500	At the time of request for approval of a new location	If you relocate your franchise.
Liquidated Damages for Non-Compliance with Operating Standards ⁽⁷⁾	\$250 to \$2,500 per occurrence, depending on the nature of the non-compliance	Within 10 days of demand	If you deviate from the Zoup! operating standards.
Liquidated Damages for Interfering with Employment Relations of Others ⁽⁷⁾	\$2,500 per employee	Within 10 days of demand	If you hire without consent an individual who is or was during the prior one-year period, an employee of Zoup! or its affiliates or another franchisee.

Explanatory Notes

⁽¹⁾ All fees are imposed by, and payable to, us except the grand opening advertising. All fees payable to us are uniform as to franchises being offered at this time. All fees paid to us are non-refundable. You will pay royalty, national brand marketing fund contributions, training and customer service fees, technology license and development fees and other periodic payments payable to us by electronic or similar funds transfer in the appropriate amounts from your bank account to such bank accounts and at such places or in such manner as we may specify. You must sign and deliver to your bank and to us the documents necessary to authorize electronic or similar funds transfers specified by us. If you enter into an Area Development Agreement to operate multiple Restaurants, the fees indicated in the chart above are the fees charged and/or incurred for each Restaurant.

(2) The Franchise Agreement defines gross sales as the entire amount of the franchisee's revenues from the ownership or operation of the franchise business or any business at or about the franchise location including the proceeds of any business interruption insurance, whether the revenues are evidenced by cash, credit, checks, gift certificates, scrip, food stamps, coupons and premiums (unless exempted by us), services, property or other means of exchange, excepting only the amount of any sales taxes that are collected and paid to the taxing authority. Bona fide cash refunded and credit given to customers and receivables uncollectible from customers will be deducted in computing gross sales if the cash, credit or receivables represent amounts previously included in gross sales where royalty and advertising fees were paid. Gross sales are deemed received by the franchisee at the time the goods, products, merchandise, or services from which they derive are delivered or rendered or at the time the relevant sale takes place, whichever occurs first. Gross sales consisting of property or services (for example, "bartering" or "tradeouts") are valued at the prices applicable to the products or services exchanged for the gross sales at the time the gross sales are received.

(3) We may increase the national brand marketing fund contribution you must pay to an amount not to exceed 2% of gross sales on 30 days written notice to you. Currently this fee is 1% of gross sales.

(4) We may increase the training and customer service fee you must pay to an amount not to exceed 1% of gross sales on 30 days written notice to you. Currently this fee is 0.5% of gross sales. We will use training and customer service fees to pay for outside services relating to training and customer service for all Restaurants, including, but not limited to, email responses for customer comments, web-based reporting of customer comments, mystery shoppers and reporting and web-based store training, and for our administrative expenses and overhead relating to the administration of the fees and the services provided.

(5) This fee is paid for Franchise Owner's use of the Z!Net and POS system (see Item 11) or other technology developed or provided by the Company and also for the Company's past and future services in the development and maintenance of technology for use by Restaurants. We may change this fee based on the costs and services being provided.

(6) Any additional training fees will be uniform as to all persons attending training at that time and will be based on our out-of-pocket expenses plus a per diem rate for the training personnel.

(7) We may require you to pay liquidated damages as a remedy for your failure to comply with certain contractual obligations and/or operational standards or procedures specified by us. The liquidated damages amounts and the violations to which they apply may be specified in the Franchise Agreement, in the Operations Manual or as otherwise communicated. The liquidated damages are intended to cover our damages suffered as a result of your violations. Those damages include our additional administrative expenses and damages arising from loss of uniformity, quality, reputation or good will in the Franchise System. In the case of interfering with employment relations of others, the damages include the expenses of acquiring and training new employees.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure⁽¹⁾	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee ⁽²⁾	\$39,900	Lump Sum	See Item 5	Us
Grand Opening Advertising ⁽³⁾	\$5,000	As arranged	As arranged	Vendor and Advertising Media as specified in "GO! Plan"
Real Estate Rental ⁽⁴⁾	\$5,000 to \$10,000	As arranged	As specified in lease	Landlord
Leasehold Improvements ⁽⁵⁾	\$100,000 to \$240,000	As arranged	As arranged before opening	Contractors
Technology Package ⁽⁶⁾	\$35,000 to \$41,000	As arranged	As arranged before opening	POS Supplier/ Distributor
Kitchen Equipment ⁽⁷⁾	\$80,000	As arranged	As arranged before opening	Suppliers/ Distributors
Furniture and Fixtures ⁽⁸⁾	\$45,000 to \$50,000	As arranged	As arranged before opening	Suppliers/ Distributors and our affiliate,
Signs (Interior and Exterior) ⁽⁹⁾	\$12,000 to \$20,000	As arranged	As arranged before opening	Signage Suppliers/ Distributors
Blue Prints, Architect, Plans, Permits ⁽¹⁰⁾	\$8,000 to \$12,000	As arranged	As arranged before opening	Architect, Contractor, other Suppliers/ Distributors
Initial Inventory & Operating Supplies	\$26,500	As arranged	As arranged before opening	Food Service Suppliers/ Distributors
Insurance ⁽¹¹⁾	\$1,500 to \$2,500	As arranged	As arranged before opening	Insurance Companies
Travel and Living Expenses while Training ⁽¹²⁾	\$0 to \$3,500	As arranged	As incurred	Travel Company, Hotels, Restaurants
Legal, Accounting and Other Miscellaneous Expenses ⁽¹³⁾	\$3,000 to \$13,500	As arranged	As arranged	Utilities, Lawyer, Accountant; Vendors
Additional Funds-3 months ⁽¹⁴⁾	\$5,000 to \$15,000	As incurred	As incurred	Us, Various Suppliers/ Distributors and Employees
Total Estimated Initial Investment⁽¹⁵⁾	\$365,900 to \$558,900			

The chart above describes the estimated initial investment for a Zoup!® Restaurant, whether it is a single Restaurant franchised under a Franchise Agreement or one of the Restaurants developed under an Area Development Agreement. The foregoing expenses are merely estimates. You are encouraged to make an

independent investigation and analysis of the potential expenses which may be incurred in order to start your Restaurant.

Explanatory Notes

(1) All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. We urge you to retain the services of an experienced accountant or financial adviser in order to develop a business plan and financial projections for your franchise. Your actual investment may vary depending on local conditions peculiar to your geographic area or market, for example, real estate demand, availability and occupancy rates. Additional variables that may impact your initial investment may be: the size of your facility; age of the structure; length of your lease or other instrument granting you the right to occupy the premises; the extent of the landlord's contribution to the build-out or if your space is to be built out by the developer with no initial out-of-pocket costs to you; lease arrangements; location in the market; whether you are converting existing premises and whether in the same business; costs of demolishing existing leasehold improvements; construction costs; other variable expenses and whether you currently hold a lease for an acceptable location.

(2) Currently, the Initial Franchise Fee for a single Restaurant is \$39,900. You will pay the Initial Franchise Fee in full upon signing the Franchise Agreement. See Item 5 for a description of the Initial Franchise Fee.

(3) We will provide guidance for you on an initial grand opening promotion ("GO! Plan"), which may include grand opening advertising, free-standing inserts, direct mail, neighborhood and business-to-business marketing, fundraising or other on-site events, newspaper advertising, public relations and publicity ideas. The grand opening and advertising promotions will occur beginning 2 months before the opening of your Restaurant and ending 4 months after the opening of your Restaurant. You are responsible for all costs and expenses related to the grand opening advertising. You are required to spend at least \$5,000 to conduct grand opening advertising and promotions. \$3,000 of this amount will be paid to a vendor designated by us on your first day of initial training. The vendor will use this amount to conduct grand opening activities on your behalf in accordance with the GO! Plan. In the event you do not provide us with evidence that you have spent the remaining required amount (\$2,000) on grand opening expenses within the prescribed time frame, you will be obligated to pay us the difference. We will use these funds on your behalf to either execute the GO! Plan for your Restaurant or we will place them in the national brand marketing fund.

(4) You will probably lease space for your Restaurant. The types of locations of Restaurants and the approximate range of square footage for Restaurants are described in Item 1 of this disclosure document. Rent rates per square foot may vary substantially per site. We estimate that your monthly rent for a Restaurant (which includes only base rent) will range from \$3,000 to \$9,000 depending on size and location. This figure does not include an initial deposit which varies upon the lease you sign. You may also be responsible for common area maintenance and other charges under the lease. At the time of signing your lease, you may be required to pay a lease deposit equal to one or two month's rent and the first month's rent. Your rent may be subject to escalation charges based on inflation or may be based on a percentage of gross sales. If you purchase and construct your franchise location, your expenses will be significantly greater. We do not have any estimates for the cost to purchase or build a franchise location.

(5) Leasehold improvements must conform to our standard specifications and local ordinances. In some situations your landlord may pay for some of the costs for leasehold improvements.

(6) Our computer hardware, VOIP phones, digital menu boards, camera systems, router, alarm system and software requirements are listed in detail in Item 11 of this disclosure document. The estimate includes

the cost of the computer hardware and software as well as installation fees and initial annual fees for hardware and software maintenance and online and smartphone ordering subscriptions.

(7) The major equipment necessary for development of a Restaurant includes a walk-in cooler/freezer, soup heating unit, and Bain Marie tables and other foodservice equipment. The estimated amounts are for new items.

(8) The furniture and fixtures we specify for a Restaurant include counters, tables, chairs, beverage area, soup counter and sneeze guard, and millwork package. When applicable, you may be required to purchase outdoor furniture after opening for a cost of \$2,500 to \$5,000.

(9) The price for signage will vary depending on the type of site and local ordinances for outdoor signage. The estimated price for interior signage includes an electronic menu board system with a cost of approximately \$9,000.

(10) You will need to hire an architect and/or engineer, as required by state or local law, approved by us, to prepare sealed construction documents and final construction documents to submit for building permits and other applicable government review. It will be your responsibility to obtain all necessary building permits and other governmental approvals as necessary before and during construction.

(11) This estimate is for one year of coverage. Alternate monthly or quarterly payment arrangements may be possible depending on your insurance provider. The insurance coverage you are required to purchase and names us as additional insured includes:

General Liability Insurance with a minimum limit of \$1 million (including but not limited to, coverage for personal injury, products and contractual liability).

Owned Auto Liability Insurance with a minimum limit of \$500,000 (covering automobiles owned by franchisee and used by the owner and/or its employees).

Property Insurance with a minimum limit to include the value of fixtures, equipment, signs, etc. (including, but not limited to, fire, extended coverage, theft, vandalism and malicious mischief).

Worker's Compensation and Employer's Liability Insurance as well as other such insurance as is required by local or state laws in the state in which the franchise is operated.

(12) Although we do not charge any additional fees for the initial training program, you are responsible for paying any wages due to your employees as well as travel, food and lodging expenses incurred by you and your employees during initial training. The cost will depend on the distance you and your employees must travel and the type of accommodations you choose.

(13) Miscellaneous pre-opening expenses may include legal fees, organizational and accounting expenses, business licenses, utility and phone deposits, equipment deposits and other pre-paid expenses incurred before opening.

(14) This category covers expenses you may incur during the 3-month initial period. These expenses may include royalty, national brand marketing fund payments and other advertising fees and expenses, insurance premiums, payroll costs, additional inventory and supplies, etc. The estimate does not include an owner's salary or draw. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. Your costs during this initial phase will depend on factors including: how well you follow our procedures; your management skill, experience and business abilities; local economic

conditions; the local market for the franchise's product; the prevailing wage rates; competition; the weather and the sales level reached during this initial phase.

⁽¹⁵⁾ We relied on the experience of our affiliate and the costs reported by other franchisees in opening and operating Zoup!® Restaurants to compile these estimates. You should, of course, review these figures carefully with a business advisor before making any decision to purchase the franchise.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to maintain uniqueness and consistency of quality, taste and identity of the products sold in Zoup!® Restaurants and to take advantage of the group purchasing power of the Zoup!® franchise system, you are required to purchase all products and services for your Restaurant(s) in accordance with our specifications and from suppliers or distributors designated by us. This includes all equipment, fixtures, signs, inventory, food products, packaging materials, paper and plastic products, menus, uniforms, computer hardware and software (see Item 11) and other products and services used in the development and operation of your Restaurant. We and companies affiliated with us may be designated suppliers. We are not required to designate or approve other suppliers or distributors for any of these products and services and we do not issue criteria to our franchisees for these products and services.

We will provide a list of designated suppliers to you in memos, bulletins, emails or in our Operations Manual. We will issue notification of designated supplier status or revocation of supplier status to you in memos, bulletins, emails or in our Operations Manual. Our affiliate, MODOC, is an approved supplier of certain specialty items, but it is not the sole supplier. Other than MODOC, there are no suppliers to our franchisees in which any of our officers own an interest.

We or our affiliates negotiate purchase arrangements with some of our designated manufacturers, suppliers, vendors and distributors for the benefit of our franchisees in order to take advantage of group purchasing power. You may elect to participate or not to participate in them. We have the right to condition or revoke your right to participate in any supplier programs if you are in default under the Franchise Agreement.

You must also purchase insurance coverage for your business in accordance with our standards and specifications. See Item 7 for a listing of the insurance coverages that we specify.

We formulate and modify our specifications based on our and our affiliates' years of experience in the business. Factors that we consider include quality and uniformity of products and services. We may issue and modify our specifications by sending memos, bulletins, emails or updates to our Operations Manual. You must comply with modified specifications within 30 days of written notice from us. We have the right to affiliate ourselves with suppliers or become an approved supplier or the sole supplier, and/or receive revenues, rebate, commissions or other benefits from purchases made by our franchisees. Currently, we receive rebates from suppliers of some of the products and services purchased by our franchisees (e.g. food and drink items). Those rebates currently range from \$0.12 per unit to \$3.15 per unit.

In the year ending December 31, 2013, our affiliate, MODOC, had gross revenue of \$0.00 from required purchases made by Zoup! franchisees. In addition, in the year ending December 31, 2013, MODOC collected for, and remitted to, NEXTEP (our approved POS system supplier) \$710,605.23 from franchisees purchases and maintenance fees related to their POS system. Except for these amounts, we and our affiliates did not derive any revenue or other material consideration as the result of any required purchases of products or services by our franchisees during the year ending December 31, 2013. All of

your purchases from designated manufacturers, suppliers and/or distributors or us will represent 100% of your total purchases in the establishment of your Restaurant and 100% of your total purchases in the ongoing operation of your Restaurant.

We do not have any formal purchasing or distribution cooperatives. We do not provide material benefits to our franchisees based on a franchisee's use of designated sources. However, your franchise may be subject to termination or we may refuse to renew your franchise if you do not purchase from designated manufacturers, suppliers or distributors.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section in Franchise Agreement	Section in Area Development Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 6(A) and (B)	Not applicable	Items 7, 8, 11 and 17
b. Pre-opening purchases/leases	Sections 6(B), (C) and (D)	Not applicable.	Items 5, 7, and 8
c. Site development and other pre-opening requirements	Sections 6(C) and (D)	Not applicable	Items 5, 7 and 11
d. Initial and ongoing training	Section 9	Not applicable	Item 11
e. Opening	Sections 6(C) and 7(A)	Not applicable	Items 11 and 17
f. Fees	Sections 3(B) and 4	Section 5	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	Sections 2(A), 4(I), (J) and (K), 5, 6(C), 7 and 8(E)	Not Applicable	Items 8, 11, 13 and 16
h. Trademarks and proprietary information	Sections 5 and 10(A)	Not Applicable	Items 13 and 14
i. Restrictions on products/services offered	Sections 7(B), (C) and (D)	Not Applicable	Items 8, 11 and 16
j. Warranty and customer service requirements	Sections 7(B)	Not Applicable	Item 11
k. Territorial development and sales quotas	Not Applicable	Section 3	Items 1 and 12
l. Ongoing product/service purchases	Sections 7(C) and (D)	Not Applicable	Items 8 and 16

Obligation	Section in Franchise Agreement	Section in Area Development Agreement	Disclosure Document Item
m. Maintenance, appearance and remodeling requirements	Sections 3(B), 7(E) and 11(D)	Not Applicable	Items 11 and 17
n. Insurance	Section 7(H)	Not Applicable	Items 7 and 8
o. Advertising	Section 8	Not Applicable	Items 6 and 11
p. Indemnification	Section 7(K)	Section 12(B)	Item 6
q. Owner's participation/management/staffing	Sections 7(F) and (G)	Not Applicable	Items 11 and 15
r. Records and reports	Sections 4(I), (J) and (K)	Not Applicable	Item 11
s. Inspections and audits	Sections 4(L) and (M)	Not Applicable	Item 6
t. Transfer	Section 11	Section 7	Items 6 and 17
u. Renewal	Section 3(B)	Not Applicable	Items 6 and 17
v. Post-termination obligations	Sections 7(M), 10 and 13	Not Applicable	Item 17
w. Non-competition covenants	Section 10(B)	Not Applicable	Item 17
x. Dispute resolution	Section 14	Section 9	Item 17

ITEM 10
FINANCING

We do not offer direct or indirect financing for your franchise. We do not guarantee your note, lease or obligation.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Before Opening

Before you open your Restaurant, we (or our representative) will:

1. Provide you with the Z!Track pre-opening process and assist you in selecting a suitable location by providing to you our specifications and a referral to a real estate broker and assisting, at your request, in negotiating certain business terms of the lease for your location (Section 6(A) of the Franchise Agreement). Also, we will review your proposed location for approval (Section 6(A) of the Franchise Agreement).

You are solely responsible for selection of the site of your Restaurant. However, we will assist you and may recommend a site for your Restaurant. We must also approve the site for your Restaurant. The factors that we consider when we recommend or approve a site include daytime population, co-tenants, visibility, surrounding population density, income and educational levels, vehicle traffic counts, pedestrian traffic counts, space dimensions, parking availability, signage restrictions, use restrictions, and economic terms.

If you enter into a Franchise Agreement to open and operate a single Restaurant, the Franchise Agreement provides that this Restaurant must be open by the earliest of: (i) four months after you obtain possession of the Franchise Location; (ii) 24 months after the Franchise Agreement is signed; or (iii) the date specified in the lease for the franchise location for required opening (Section 7(A) of the Franchise Agreement).

2. Assist you in the construction or improvement of your location by providing specifications for improvements (Section 6(C) of the Franchise Agreement).

3. Provide our specifications and sources of supply for the equipment, fixtures, signs and initial inventory necessary for you to begin operation of your Restaurant (Section 6(C) of the Franchise Agreement).

4. Loan you one copy of our Operations Manual and additional reference material for use in the operation of your Restaurant during the term of the Franchise Agreement (Section 7(B) of the Franchise Agreement). Additional information regarding the Operations Manual is set forth below in this Item under the subheading "Operations Manual."

5. Provide an initial training program to train you in all aspects of operation of your Restaurant (Sections 9(A) of the Franchise Agreement). The training program is described in more detail below in this Item under the subheading "Training."

6. Designate the products and services to be offered by your Restaurant and provide sources of supply for all products used in your Restaurant (Section 7(C) of the Franchise Agreement).

7. Provide guidance on the pricing of your products and services (Section 7(D) of the Franchise Agreement).

8. Provide you the GO! Plan for the grand opening advertising of your Restaurant (Section 8(A) of the Franchise Agreement).

Time of Opening

We expect franchisees to open their Restaurant within 5 to 24 months after: (i) signing the Franchise Agreement for that Restaurant; or (ii) paying consideration to us. (Section 7(A) of the Franchise Agreement). The main factors that we expect to affect this time period are the availability of suitable locations, the ability to obtain mutually acceptable lease terms, the need for rezoning of the location, the ability to obtain financing, the local time frame for obtaining building permits, weather, construction delays, shortages, delayed installation of equipment, fixtures or signs, and your personal timetable. The Franchise Agreement may be terminated if you fail to enter into a lease for the franchise location within 12 months of the signing of the Franchise Agreement (Section 12(B)(1) of the Franchise Agreement).

If you enter into an Area Development Agreement with us, the Area Development Agreement will specify when each franchise must be opened to comply with the development schedule. The Area Development Agreement may be terminated by us if you fail to open Restaurants in compliance with the development schedule.

On-Going Obligations

After you have opened your Restaurant for business, we will:

1. Provide you with any updates to our Operations Manual and other specifications for all aspects of your Restaurant (Section 7(B) of the Franchise Agreement).
2. Provide a representative for up to 8 days before and within the first week your Restaurant is open for business to assist in the setup and initial operation of your Restaurant. If you request additional help, we may provide additional assistance, but in that case, we may charge a reasonable fee for the additional assistance (Section 9(C) of the Franchise Agreement).
3. Designate the products and services to be offered by your Restaurant and provide you with any updates in our specifications for products or services. We will also provide sources of supply for all authorized products and will review for approval any products or services or suppliers/distributors requested by you, except with respect to food, packaging and disposables products (Sections 7(C) of the Franchise Agreement).
4. Provide guidance on the pricing of your products and services (Section 7(D) of Franchise Agreement).
5. Administer the national brand marketing fund and review for approval any local promotions proposed by you (Sections 8(B) and 8(E) of the Franchise Agreement). Additional information regarding marketing is set forth below in this Item under the subheading "Marketing".

Marketing

We will deposit your National Brand Marketing Contribution described in Item 6 above into a national brand marketing fund that we maintain (Section 4(C) of the Franchise Agreement). Currently, all Zoup!® franchised and company-owned Restaurants contribute to the national brand marketing fund at the same rate.

We will administer the national brand marketing fund or designate an agency to administer the fund. The goals of the national brand marketing fund are to maximize general public recognition and patronage of the Zoup!® Trademarks and Systems. We may use the national brand marketing fund to formulate, develop, and produce advertising and promotional programs and to conduct marketing and promotional programs on a national, regional or local level as we determine, in our discretion, to be most effective in achieving the goals of the national brand marketing fund. We are not required to spend your national brand marketing fund contributions or any other amounts to place advertising in your local area or in any specific media. All expenses of the national brand marketing fund may be paid from the national brand marketing fund. We may engage the services of an advertising source or sources, or other resources to formulate, develop, produce and conduct marketing and these costs will be paid by the national brand marketing fund. The national brand marketing fund may be used to reimburse us for the proportionate compensation of our employees who devote time and render service in support of the goals of the national brand marketing fund or in the administration of the national brand marketing fund.

Any amounts left in the national brand marketing fund at the end of a fiscal year will be used to meet the goals of the national brand marketing fund in the next fiscal year. We will submit to you, on request, an annual summary by category of the use of the national brand marketing fund. The national brand marketing fund will not be audited. We will not be liable for consequential or incidental damages resulting from administration of the national brand marketing fund or resulting from any marketing produced or placed by or on our behalf or your behalf or the failure to produce or place such marketing, including any claims for loss of business.

During our fiscal year ending December 31, 2013 we used 57% of the national brand marketing fund expenditures for production and design, 28% for media placement and 15% for administrative costs. During this period we did not use any of the national brand marketing fund principally to solicit new franchise sales, except that we may use a portion of the national brand marketing fund towards the costs of websites we may maintain, which websites may contain information about our franchising programs or other products.

We may designate a group of Restaurants, including all Restaurants or a local, regional or national group of Restaurants, to participate in an advertising cooperative. If your Restaurant is within one or more designated cooperative group or groups, you must join, maintain a membership in, and abide by the governing instrument of the advertising cooperative for that group of Restaurants. The structure of the cooperative as well as the governing instrument of the cooperative and any changes to that instrument will be established by the cooperative, but must be approved by us. You may be required to make contributions to the cooperative that are in addition to your national brand marketing fund contributions. Each Restaurant in the cooperative will have one vote on matters before the cooperative unless otherwise provided in the governing instrument of the cooperative. Decisions will be made as provided in the governing instrument of the cooperative, or if not otherwise specified, based on a majority of the votes entitled to be cast by the members of the cooperative. Any franchise owner holding an officer, management, executive or committee position with the cooperative must be a franchise owner in good standing. (Section 7(L) of the Franchise Agreement.) Each cooperative must work with us or an agency designated by us in coordinating and placing national, regional or local advertising for the members of the cooperative. Each cooperative is responsible for the costs and expenses incurred by that cooperative.

All advertising, marketing materials and activities prepared and planned by you for use in any medium, including signage, must be factual and dignified, must conform to our standards, specifications, marketing plans, operating policies and philosophy, and to the highest standards of the Zoup! brand and ethical advertising practice, and each such occurrence, even if previously approved, must be approved by us in writing before being used. You must submit to us for prior approval all marketing and promotion materials, including signage, prepared by you for your Restaurant and not prepared by or approved by us. These materials must be submitted to us at least 18 days before use. If we do not reject the materials within 16 days after receipt, the materials will be deemed to be approved by us. You must refrain from any business, marketing or advertising that we determine, in our sole discretion, may injure the brand, our business and the good will associated with the Trademarks and the Systems and other Restaurants. You are not allowed to advertise any products or services for your business or using the Trademarks except those products or services authorized by us, and with our prior written approval. You will not advertise or use in advertising or other form of promotion, the Trademarks without the appropriate copyright, trademark, and service mark symbols ("©", "®", "TM" or "SM") as we direct. You are responsible to ensure that all advertising and promotion materials used by you, whether created or consented to by us, comply with applicable laws.

You must not independently of us, use the Internet, including but not limited to websites, mobile marketing, social media, blogs or other electronic media, for promotion of the Restaurant. We may, at our sole discretion, maintain an Internet site or other social media for the Franchise System and allow you to maintain a separate portion of and/or to participate in that site for the Restaurant under guidelines we specify. (Section 8(D) of the Franchise Agreement.)

We have the right to require that an advertising cooperative and/or franchisee advisory council be formed, changed, dissolved or merged. (Section 8(C) of the Franchise Agreement.) Currently, there are no franchise advertising cooperatives or franchisee advertising advisory councils.

Computer Systems

You will purchase or lease and use the point of sale ("POS") and/or computer systems we specify for the operation of your Restaurant. Under our agreement with the designated vendor of the POS system, the vendor will supply the products and services to our franchisees, but the supplier's contract is with us and we are responsible for all payments to the supplier. Consequently, you will purchase these items through us and you must pay us or our affiliates for the items. This POS system and related peripherals, includes the digital menu boards, touch screen monitors, large screens, CPU's, credit card acceptance hardware, printers and cash drawers. This POS system may also include proprietary software of the vendor as well as certain additional software products that are not the property of the POS system vendor, including software for payroll processing, accounting, gift card management, and credit card processing. The POS system utilizes the Z!Net intranet system ("Z!Net"), which we own. We require that you obtain the following services provided by the POS system vendor in connection with the POS hardware and software and pay the designated fees for the services: a one-time onsite hardware and software installation service for \$3,400 per Restaurant; annual software maintenance for \$1,200 per Restaurant per year (includes software defect repair and software upgrades); online and smartphone ordering subscription service (unlimited usage) for \$600 per Restaurant per year; and annual hardware support, which will be provided at our election, for 8% (not including replacement parts) of the initial hardware purchase price per year. The POS system vendor will provide these services, but the fees will be billed through us or our affiliates and paid to us or our affiliates. We or the POS system vendor may require you to sign a software license agreement and/or annual service agreements in order to use or continue to use this POS system.

You will also purchase or lease and use firewall, internet switches and related technology set up to secure and host the POS system. We also currently specify the following additional computer hardware and software for use in the operation of your Zoup!® franchise: (1) Soup Ordering System, which is part of Z!Net; and (2) office/administrative computer system, CPU and monitor. The POS and computer systems require a DSL or other high-speed Internet connection that you must obtain. We do not have any contractual obligation to provide ongoing maintenance, repairs, upgrades or updates to the Soup Tracking System or the office/administrative computer system. If we determine that updates to the Soup Tracking System are necessary, the cost of those updates may be included in an annual service contract provided through a vendor or our affiliate, which you must obtain if we specify. Also, if applicable, we recommend and may require that you purchase from the vendor of these systems an annual service contract and updates as they are available.

The computer systems will be used for tracking inventory, customer sales and daily cash totals. The web-based system will provide information, including reports available for review by you and us and other operational assistance, types of soups, products sold, labor scheduling and costs, daily emails and promotions, online orders, number of customers served and other important data will be tracked by the system. The estimated cost of purchasing the specified computer hardware and software and services is \$18,000 to \$25,000. You must pay us a weekly license and development fee of \$36 for use of the Z!Net system and for the services we have provided and may provide in the future to develop and maintain the Z!Net system and related technology.

We may develop additional or different POS and/or computer systems and specifications for certain components of POS and computer systems in the future and may modify such specifications and the components of the POS and computer systems in the future, and you must comply with any modifications within 90 days of our notice. Modification of the specifications for the components of the POS and computer systems may require you to incur costs to purchase, lease and/or license new or modified computer hardware and/or software and to obtain service and support for the POS and computer system during the term of the Franchise Agreement. We estimate that modifications will typically not exceed \$5,000 per year.

We have the right to independently access the sales information and other data produced by the POS and computer systems specified by us and there are no contractual limitations on our right to access and use that information and data. You must provide us access to the information on the POS and computer systems in the manner specified by us and must supply us with any and all security codes necessary to obtain such access. We may retrieve, analyze, download and use the software and all data on your POS and computer systems at any reasonable times as long as such access does not unreasonably interfere with the operation of your business.

You must use the xxx@zoup.com email addresses provided or assigned by us and no other email address in your business. We will have access to and may monitor all of your correspondence by email. Our rights to use the POS and computer systems data includes the right to deliver the data to any third party we deem appropriate in our sole discretion; but only if the identity and other personal information of your owners are not disclosed.

Operations Manual

Our operating manual (the "Operating Manual"), provides details concerning the methods of operation of Zoup!® Restaurants and includes an Operations Manual, Training Manual, Nutrition Manual and Catering Manual. The table of contents of our Operating Manual is attached as Exhibit D. As of the date of this disclosure document, the Operating Manual consisted of approximately 254 pages. Our franchisees have access to the Operating Manual on our intranet system (Z!Net) and from a disc we provide. The Operating Manual remains our property, must not be duplicated, and any copies you make must be destroyed or returned to us on expiration or termination of the Franchise Agreement. We have the right to make changes to the Operating Manual and you must comply at your sole cost and expense.

Training

We will provide an initial training program to train you in all aspects of operation of your Restaurant. You (or your designated representative if the franchisee is a corporation or other entity) must complete the training program specified by us before operating your franchise business. The training program must be completed to our satisfaction. We recommend that you complete the training program at least 1 month before the opening of your Restaurant.

The training program will be conducted without charge for up to 2 persons who are owners of the franchise or management employees of the franchise. We will train additional persons if you request, but we may charge a reasonable fee for each additional person trained. The training program will generally be conducted over a 15 day period. The first part of training will take place at our business office and training center in Southfield, Michigan and a Zoup!® training store operated by our affiliate in Southfield or Troy, Michigan. An additional 5 to 8 days of training will take place at your Restaurant before and at the time of the opening of the Restaurant. The instructional materials used in our training program include the Zoup!® Operations Binder, position training materials, Z!Net! training materials, the Store Set-Up Guide and various collateral materials.

You are responsible for any traveling and living expenses of you or your employees during the training program. The persons attending training may be required to sign an agreement relating to confidentiality and/or noncompetition in the form specified by us before beginning the training program.

Our training program will be conducted as often as necessary to ensure that new franchisees complete training before opening their franchise business. Kelly Karasiewicz, our Director of Operations, will oversee all aspects of training. Ms. Karasiewicz has over 10 years of Zoup!® management and operations experience and over 20 years of experience with managing restaurant operations.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Orientation	4	N/A	Zoup!® Training Store in Southfield or Troy, Michigan or Zoup!® Office
Operations Overview	8	N/A	Zoup!® Training Store in Southfield or Troy, Michigan or Zoup!® Office
Position and Operations Training	8	80	Zoup!® Training Store in Southfield or Troy, Michigan
Z!Net Training	20	20	Zoup!® Training Store in Southfield or Troy, Michigan
Store Set-Up Guide	3	N/A	Zoup!® Training Store in Southfield or Troy, Michigan or Zoup!® Office
Franchise Location Position & Operations Training	N/A	60 to 80	Your Location across 5 to 8 days

You or your owners and management employees may be required to attend additional training, sales programs and meetings reasonably specified by us. We will give you reasonable notice of any additional specified training, sales programs or meetings. We may impose a reasonable charge on you for any training provided beyond the initial training program. See Item 6. Any training fees will be uniform as to all persons attending training at that time and will be based on our out-of-pocket expenses plus a per day rate for the training personnel. We may require you to complete additional training before offering new products or services from your Restaurant. After beginning the operation of your Restaurant, you must establish and maintain a continual program of training for managers and other employees in accordance with our specifications.

ITEM 12 **TERRITORY**

A. SINGLE UNIT FRANCHISE AGREEMENT

The Data Sheet and Schedule 1 of the Franchise Agreement will describe your approved franchise location, and you must always operate your Restaurant only from the franchise location approved in writing by us.

We will authorize the relocation of your Restaurant if your location becomes unusable or unavailable for your Restaurant or you request relocation and have other reasonable business reasons to relocate. You must obtain our written approval for a new location and must pay a relocation fee (see Item 6). The factors we consider for approving relocations are the same factors we consider for approving initial locations, including visibility, surrounding population density, income and educational levels, vehicle traffic counts, pedestrian traffic counts, space dimensions, parking availability, signage restrictions, use restrictions, and economic terms (See Item 11 of this disclosure document for additional information).

The rights granted to you in the Franchise Agreement relate to the sale of products over-the-counter at the Restaurant location. You are not granted a minimum or maximum territory in which to operate your franchise business. As long as you provide your services from your Restaurant location, you are not limited

in the area from which you may draw your customers. You will have the right to deliver immediately consumable products consistent with our catering format (CaterZoup!), but any other delivery of products by you is prohibited without our prior written consent. Also, you will have no right to solicit or conduct business through the use of toll-free telephone numbers, catalogs, direct mail, internet or other advertising or solicitation methods not involving only sales over-the-counter at the Restaurant location.

You will receive a protected area around the location of your Restaurant. The protected area will typically be the area within a 1.5 mile radius of your Restaurant, except in densely populated areas the protected area may be smaller and, in those cases, will be agreed to by the parties. During the term of the Franchise Agreement and except as provided below, neither we nor our affiliate, Zoup! Fresh Soup, will operate or authorize others to operate a retail restaurant business using the Zoup!® Trademarks or System or a retail restaurant business selling substantially the same products or services as a Restaurant at a retail location within your protected area.

All rights not expressly granted to you in the Franchise Agreement relating to the Zoup!® Trademarks and System are reserved to us, including: (1) the right to operate and authorize others to operate businesses using the Zoup!® Trademarks and System, or any other trademarks or systems, at any location outside your protected area; and (2) the right to use or authorize others to use the Zoup!® Trademarks and System, or any other trademarks or systems, in connection with the manufacture and sale of products at wholesale or retail, through the use of toll-free telephone numbers, catalogs, direct mail, over the internet or through any distribution channels other than a retail restaurant business operated under the Zoup!® System. Your limited exclusive rights relate to location only and do not grant you any exclusivity of marketing or customers in your protected area. All Restaurants may sell their products and services to any customer. You will not receive any compensation if we, our affiliates or franchises solicit or accept customers or orders from inside your protected area.

As exceptions to your limited exclusivity: (1) we may offer and sell and authorize others to offer and sell products and services to corporate cafeterias, institutional accounts (including grocery stores), offsite events (e.g. art fairs, fundraisers, etc.), stadiums, and locations with relatively fixed populations (e.g. airports, military bases, college campuses, indoor regional malls, certain large office buildings where a substantial portion of the inhabitants do not leave the building for lunch and few people from outside the building come in for lunch, and similar locations) in your protected area; and (2) we may purchase, be purchased, merge, acquire, be acquired or otherwise affiliate with a competitor or any other business regardless of the location of the competitor or business, and to continue to operate, franchise or license these businesses regardless of the location of these businesses, but we will not operate a competitive business we acquire under the Trademarks within your protected area.

You will not receive an exclusive territory under the Franchise Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands we control. You do not have to meet certain sales volume, market penetration or other contingencies to continue your rights in your protected area and your protected area will not be altered because of population increases, decreases or other circumstances.

Unless you enter into an Area Development Agreement with us, you will not have any options, rights of first refusal or similar rights to acquire additional franchises within any specified territory or any contiguous territories.

B. AREA DEVELOPMENT AGREEMENT

Area developers are granted a territory, which may be described in terms of advertising areas, political subdivisions, including cities, townships or counties, or by streets and natural borders. The size of

an area developer's territory will be negotiated based on population density as well as the number of Restaurants that are scheduled to be developed. The area developer's territory will be described in the Area Development Agreement. We have the right to grant area development rights to other area developers in the area developer's territory. Any rights granted before the date of the Area Development Agreement to other area developer in your territory will be listed on Appendix D to the Area Development Agreement and are referred to as the "Existing Area Developers."

Except as described below, during the term of the Area Development Agreement, we will not operate or authorize any other person to operate a retail restaurant business using the Trademarks or the System at a location within the area developer's territory or a retail restaurant business selling substantially the same products or services as a Zoup!® Restaurant at a location within the area developer's territory. We reserve all other rights, including the right to (1) operate and authorize others to operate businesses using the Trademarks and System outside the territory; and (2) use or authorize other to use the Trademarks and System, or any other trademarks or systems, inside or outside the territory, in connection with any distribution method other than the operation of a retail restaurant operated under the Zoup!® System in the territory, including the manufacture and sale of products at wholesale or retail, through the use of toll-free telephone numbers, catalogs or direct mail, over the internet, through distributors, at food stores or through any other distribution channels. An area developer's limited exclusive rights relate to location only and do not grant area developer any exclusivity of marketing or customers in the territory. You will not receive any compensation if we, our affiliates or franchises solicit or accept customers or orders from inside your territory.

The area developer must open a specified number of Restaurants within the territory on a set time schedule (the development schedule). If these development requirements are not met, we may terminate the Area Development Agreement, which would include termination of the territory.

As exceptions to an area developer's limited exclusive rights: (1) we may offer and sell and to authorize others to offer and sell products and services at or to corporate cafeterias, institutional accounts (including grocery stores), offsite events (e.g. art fairs, fundraisers, etc.), stadiums, and locations with captive audiences (e.g. airports, large office buildings, military bases, college campuses, indoor regional malls, etc.) in the area developer's territory; and (2) we may purchase, be purchased, merge, acquire, be acquired or otherwise affiliate with a competitor or any other business regardless of the location of the competitor or business, and to continue to operate, franchise or license these businesses regardless of the location of these businesses, but we will not operate a competitive business we acquire under the Trademarks within your territory.

As an additional exception to an area developer's limited exclusive rights, Existing Area Developers have priority over potential locations for Restaurants according to the right of first refusal process described in this paragraph. We maintain a priority list of each area developer who has rights to develop Restaurants in a territory (the "Priority List"). On learning of a potential location for a Restaurant in the territory, whether from area developer or otherwise, we will notify all area developers who have development rights in the territory of the potential location, and we will grant each of those area developers a right of first refusal to establish a Restaurant at the potential location according to their respective place on the Priority List. As long as area developer is in compliance with its obligations under the Area Development Agreement, including its obligation to meet the development schedule for the territory, then, if all Existing Area Developers on the Priority List reject the potential location, we will provide area developer with written notice that area developer has the right of first refusal to establish a Restaurant at the potential location.

You will not receive an exclusive territory under the Area Development Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or

competitive brands we control. The area developer must open a specified number of franchises within the territory on a set time schedule (the development schedule). If these development requirements are not met, we may terminate the Area Development Agreement, which would include termination of the territory.

Area developers will not have any options, rights of first refusal, or similar rights to acquire additional area development rights or franchises within any territories not included in the area developer's territory.

ITEM 13 **TRADEMARKS**

You must operate your franchise under the Trademarks. Our principal Trademark, "Zoup!®," was registered on the Principal Register of the United States Patent and Trademark Office ("USPTO") at Registration No. 2,797,972 as a service mark on December 23, 2003. This registration is owned by Zoup! IP, LLC and is licensed to us for use by our franchisees under a perpetual license agreement dated May 4, 2010, as amended. Zoup! IP, LLC intends to file all required affidavits and renewals for this trademark in a timely manner.

Except as described above, there are no agreements currently in effect that limit our rights to use or license the Trademarks in any manner material to your franchise. There are no currently effective material determinations of the USPTO, Trademark Trial and Appeal Board, the Trademark Administrator of any state, or any court, any pending interference, opposition or cancellation proceeding or any pending material federal or state court litigation involving our Trademarks. We do not know of any superior prior rights or infringing uses of the Trademarks that could materially affect your use of our Trademarks.

You must use the Trademarks only in accordance with our rules. You must only use the Trademarks in connection with the operation of your Restaurant pursuant to the System and only in the manner specified in the Franchise Agreement and the Operations Manual. You must not use the Trademarks in connection with any products and services not authorized by us in writing. You must not use the Trademarks in advertisements or promotion of the sale of your Zoup!® Restaurant or the assets of your Zoup!® Restaurant or the sale of any interest in your entity, except with our express written consent. You must not use, reproduce or cause to be used or reproduced any Trademarks in any manner, including reproduction on printed material and signs, in connection with advertising, marketing or promotion, on the Internet, in an Internet domain name, or in connection with any Internet site, social media account or blog, without our prior written approval.

You must not use the Trademarks in your corporate, partnership or limited liability company name.

If you receive notice, or are informed, of any claim, suit or demand against you on account of any alleged infringement, unfair competition, or similar matter on account of your use of the Trademarks, you must promptly notify us of any such claim, suit or demand. If you receive notice or are informed or learn that any third party, who you believe is unauthorized to use the Trademarks, is using the Trademarks or any name or trademark confusingly similar to the Trademarks, we become aware of a claim against you relating to your use of the Trademarks, or we become aware of a third party who is unauthorized to use the Trademark, we will take such action as we deem necessary and appropriate. You must not settle or compromise any claim by a third party without our written consent. We will have the sole right to defend, compromise or settle any such claim, in our discretion, using attorneys of our choosing, and you agree to cooperate fully with us in connection with the defense of any such claim. You may, if you choose, participate at your own expense in such defense or settlement, but our decisions with regard to the Trademarks will be

final. You must sign all documents and do all acts necessary or incidental to that action as our attorneys may reasonably request.

We may, at our discretion, change the Trademarks, including adding, discontinuing or modifying the Trademarks, or substituting different Trademarks. We will make all such changes to the Trademarks on a uniform basis for all similarly situated Restaurants in a particular market. If we change the Trademarks, you will have the right to use the modified Trademarks and you will have the obligation to make those changes at your expense.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents that are material to your franchise. We do not have any pending patent applications that are material to your franchise. We claim copyright protection for our Operations Manual and similar materials, although these materials are not registered with the U.S. Registrar of Copyrights.

The Operations Manual, access to the Zoup!® Tech System and other aspects of the System are considered proprietary and confidential. You must use the Operations Manual, Zoup!® Tech System and the other aspects of our System only as provided in the Franchise Agreement. You must not use our Operations Manual, Zoup!® Tech System or any other aspect of our System in any unauthorized manner and you must take reasonable steps to prevent disclosure of this information to others. You must have your employees sign an agreement relating to confidentiality in a form specified by us before disclosing confidential information to them, and your managers must sign an agreement relating to confidentiality and non-competition in a form specified by us before disclosing confidential information to them.

There are no currently effective material determinations of the copyright office or any court regarding any of our copyrighted or confidential materials. There are no agreements currently in effect that limit our rights to use or license the copyrighted materials or any of our confidential information. We do not know of any superior prior right or infringing uses of our copyrighted materials or our confidential information that could materially affect your use of those materials or information.

We are not required by any agreement to protect or defend our copyrights or confidential information or to take affirmative action when notified of infringement of our copyrights or confidential information or to defend you against claims arising from our use of copyrighted or confidential information, although we intend to protect our System. If there is litigation involving our copyrights or confidential information, we would have the right to control that litigation. We do not have an obligation under the Franchise Agreement or Area Development Agreement to participate in your defense or to indemnify you for expenses or damages in a proceeding involving a copyright or confidential information licensed to you.

We may, at our discretion, modify our copyrights and confidential information. If we modify our copyrights or confidential information, you will have the right under the Franchise Agreement to use the modified materials and you will have the obligation to make changes specified by us at your expense.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You, or if you are a corporation, partnership or other entity, at least one of the owners listed in Appendix A of the Franchise Agreement ("principal"), must: (1) devote his/her/their full time and effort to the active management and operation of the franchise business; (2) preserve and exercise ultimate authority and responsibility with respect to the management and operation of the franchise business, including, but not

limited to, using best efforts to promote a "Zoup!ism Culture"; and (3) represent and act on behalf of franchisee in all dealings with us. If all of the principals resign, die or become incapacitated, it will be considered a transfer under the provisions of Section 11 of the Franchise Agreement. If you desire to have a manager, other than a principal, devote full time and effort to the management and operation of the franchise business, the manager must have completed our training program and must be approved by us in writing. Your manager must meet our educational, managerial and business standards; possesses a good moral character, business reputation and have the aptitude and ability to manage and operate the Restaurant, including fostering and promoting a "Zoup!ism Culture." We must also approve, in writing, any change in such management personnel. The designated manager need not have any equity interest in the franchise but must sign an agreement relating to confidentiality and non-competition in the form we specify. If the franchisee is a corporation, partnership or other entity, the principals and their spouses must personally guarantee all of the franchisee's obligations to us.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell all products and services specified by us. You may not offer any products or services that we have not authorized. We have the right to change the authorized products and services. We will only make changes to the authorized products and services for good faith business reasons on a uniform basis for all similarly situated franchises in a particular market, except when test marketing products or services. You are required to only sell your products and services over-the-counter at your franchise location. You may deliver immediately consumable products consistent with our catering format (CaterZoup!), but any other delivery of products by you is prohibited without our prior written consent. Also, you will have no right to solicit or conduct business through the use of toll-free telephone numbers, catalogs, direct mail, internet or other advertising or solicitation methods not involving only sales over-the-counter at the franchise location.

We may require you, if permitted by applicable law, to participate in a gift card or other customer loyalty program in accordance with the provisions either set forth in the Operations Manual or otherwise disclosed to you. In order to participate, you may be required to purchase additional equipment and pay any fees applicable to the use of that equipment. If we establish a gift card or loyalty program, we have the right to determine how the amount of the gift cards or loyalty cards will be divided or otherwise accounted for, and we reserve the right to retain the amount of any unredeemed gift cards.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Provision	Section in Franchise Agreement and Other Agreements	Summary
a. Length of the franchise term	Section 3(A) of the Franchise Agreement	5 years. The term may be adjusted in our discretion to coincide with the term of your lease for the franchise location.
	Section 4 of the Area Development Agreement	The earlier of the day the last Restaurant is opened according to the development schedule or the expiration date.
b. Renewal or extension of the term	Section 3(B) of the Franchise Agreement	Three 5-year periods.
	Not Applicable in the Area Development Agreement	There is no renewal or extension in the Area Development Agreement.
c. Requirements for you to renew or extend	Section 3(B) of the Franchise Agreement	Not in default; have not received 2 or more default notices within the previous 12 months; provide notice; maintain possession of the location; materially satisfied all reporting requirements and monetary obligations; satisfy current training standards; sign a general release of all claims against us; sign current Franchise Agreement which may contain materially different terms as your original Franchise Agreement; and pay renewal fee.
	Not Applicable in the Area Development Agreement	Not Applicable in the Area Development Agreement.
d. Termination by franchisee	Section 12(A) of the Franchise Agreement	If we breach the Franchise Agreement and do not cure or attempt to cure after notice.
	Not Applicable in the Area Development Agreement	There is no right for you to terminate the Area Development Agreement.
e. Termination by franchisor without cause	Not Applicable.	Not Applicable.
f. Termination by franchisor with cause	Sections 12(B) through 12(E) of the Franchise Agreement	Generally, if you fail to complete training, fail to sign a lease within 12 months or open within 24 months, or generally if you materially breach the Franchise Agreement.
	Sections 8(A) of the Area Development Agreement	Generally, if you breach the Area Development Agreement

Provision	Section in Franchise Agreement and Other Agreements	Summary
g. "Cause" defined—curable defaults	Section 12(D) of the Franchise Agreement Sections 8(A) of the Area Development Agreement	Notice and cure period is 10 days for monetary defaults and 30 days for other defaults.
h. "Cause" defined—non-curable defaults	Sections 12(B) and (C) of the Franchise Agreement Section 8(A) of the Area Development Agreement	Non-curable defaults before opening include: failure to obtain a lease, complete training, obtain permits, pay amounts due or obtain financing. Non-curable defaults after opening include: willful misrepresentations; unapproved assignments; conviction of crime; repeat defaults; abandonment; health or safety hazards; or any materially adverse conduct. Non-curable defaults under the Area Development Agreement include: willful misrepresentations; unauthorized transfers; conviction of crime; or any materially adverse conduct.
i. Franchisee's obligations on termination/non-renewal	Section 13 of the Franchise Agreement Section 8(B) of the Area Development Agreement	Complete de-identification; cease using proprietary information; transfer of telephone numbers and email addresses; payment of amounts due. All development rights cease, but you can continue to operate under existing Franchise Agreements.
j. Assignment of contract by franchisor	Section 11(H) of the Franchise Agreement Section 7(G) of the Area Development Agreement	No restriction on our right to assign if adequate provision has been made for providing further required contractual services.
k. "Transfer" by franchisee—defined	Section 11(A) of the Franchise Agreement Section 7(B) of the Area Development Agreement	Includes transfer of interest in the Franchise Agreement, franchise business, franchise location, assets of the franchise business, or any interest in the corporation or other business entity owning the franchise. Includes transfer of interest in the Area Development Agreement or any interest in the corporation or other business entity granted development rights.
l. Our approval of a transfer by franchisee	Sections 11(A) and (D) of the Franchise Agreement Section 7(D) of the Area Development Agreement	You must have our written consent to transfer your franchise. We will not unreasonably withhold consent.

Provision	Section in Franchise Agreement and Other Agreements	Summary
m. Conditions for franchisor approval of transfer	<p>Section 11(D) of the Franchise Agreement</p> <p>Section 7(D) of the Area Development Agreement</p>	<p>New franchisee qualifies; transfer does not place unreasonable burdens on transferee; you are current on all obligations; you sign a release; new franchisee completes training; transfer fee paid; current Franchise Agreement signed or assumption of existing Franchise Agreement signed by new franchisee; current appearance requirements met.</p> <p>Transferee qualifies as an area developer, assumes all obligations under the Area Development Agreement and all franchise agreements signed in connection with the Area Development Agreement and completes training program; you are current on all obligations; we determine the terms of the transfer do not place unreasonable burdens on the transferee; release signed by you; and we receive a transfer fee.</p>
n. Franchisor's right of first refusal to acquire franchisee's business	<p>Section 11(C) of the Franchise Agreement</p> <p>Not Applicable in the Area Development Agreement</p>	We can match any offer for the purchase of your business.
o. Franchisor's option to purchase your business	<p>Section 13(C) of the Franchise Agreement</p> <p>Not Applicable in the Area Development Agreement</p>	<p>We have the option to purchase the assets of your business, excluding real estates, for fair market value on termination or expiration of your franchise.</p> <p>Not Applicable in the Area Development Agreement.</p>
p. Death or disability of franchisee	<p>Section 11(B) of the Franchise Agreement</p> <p>Section 7(C) of the Area Development Agreement</p>	<p>Your estate may operate the franchise if we approve a manager; we have an option to operate the franchise for your estate for a limited period of time.</p> <p>Your estate may operate the franchise if we approve a manager for your Area Development Agreement.</p>
q. Non-competition covenants during the term of the franchise	<p>Sections 7(O) and 10(B) of the Franchise Agreement</p> <p>Not Applicable in the Area Development Agreement</p>	<p>No involvement in competing business anywhere.</p> <p>Not Applicable in the Area Development Agreement.</p>

Provision	Section in Franchise Agreement and Other Agreements	Summary
r. Non-competition covenants after the franchise is terminated or expires	Sections 7(O) and 10(B) of the Franchise Agreement Not Applicable in the Area Development Agreement	Applies on termination and expiration and on a transfer of the Franchise Agreement or the Franchise Business--No competing business for 2 years within 5 miles of former location or any other existing or planned Zoup!® Restaurant location. Not Applicable in the Area Development Agreement.
s. Modification of the agreement	Section 17(F) of the Franchise Agreement Section 12(I) of the Area Development Agreement	No modifications unless in writing, but specifications subject to change by us.
t. Integration/merger clause	Section 17(F) of the Franchise Agreement Section 12(I) of the Area Development Agreement	Only the terms of the Franchise Agreement and Area Development Agreement are binding (subject to state law). Any representations or promises made outside the disclosure document, Franchise Agreement and Area Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Sections 14(A), (B) and (C) of the Franchise Agreement Section 9(A), (B) and (C) of the Area Development Agreement	All disputes are subject to binding arbitration except for actions for injunctive relief.
v. Choice of forum	Section 14(B) and (E) of the Franchise Agreement Sections 9(B) and (E) of the Area Development Agreement	Arbitration must be at AAA office closest to our principal office; litigation by you must be in Michigan (subject to state law).
w. Choice of law	Section 14(D) of the Franchise Agreement Section 9(D) of the Area Development Agreement	Except for the applicability of the Federal Arbitration Act and other applicable federal law, Michigan law applies (subject to state law).

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN EXHIBIT H TO THIS FRANCHISE DISCLOSURE DOCUMENT.

TERMINATION OF THE FRANCHISE AGREEMENT OR AREA DEVELOPMENT AGREEMENT ON BANKRUPTCY OR INSOLVENCY MAY NOT BE ENFORCEABLE UNDER FEDERAL BANKRUPTCY LAW (11 U.S.C. § 101 ET SEQ.).

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, by example, by providing information about possible performance at a particular location or under particular circumstances.

This financial performance representation consists of five parts. Part I of this Item presents historical sales data for 46 Restaurants opened the entire year. This includes all Restaurants that were opened for the entire year except 1 affiliate-owned Restaurant that we acquired in October 2012 and closed in January 2014. Of the 46 Restaurants that were used in preparing the sales information presented in this Item, 2 Restaurants are owned and operated by our affiliate Zoup! Fresh Soup and 44 are franchised businesses. These 46 Restaurants represent 81% of the 57 Zoup!® Restaurants that were in operation at the end of 2013. The 44 franchised Restaurants represent 80% of all franchised Zoup!® Restaurants and 77% of all Zoup!® Restaurants in operation at the end of 2013.

Part II of this Item presents information relating to the seasonality of the Zoup! Restaurants' sales. We have provided the average percentage of annual revenue per quarter for the 39 Zoup!® Restaurants open for a full 12 months during 2012. These 39 Restaurants represent 85% of the 46 Zoup!® Restaurants that were in operation at the end of 2012.

Part III of this Item presents historical cost information, including costs of labor and taxes (including costs relating to a general manager), as a percentage of sales. Part III also includes the average general manager's salary. This cost information is provided for a subset of Zoup!® Restaurants consisting of 2 Restaurants owned and operated by our affiliate Zoup! Fresh Soup for a full 12 months during 2013. These 2 Restaurants represent 100% of the affiliate-owned Restaurants operating as of the date of the Disclosure Document and 3.5% of the total Restaurants operating at the end of 2013. We have used cost information from our affiliate-owned Restaurants because we do not have the actual labor costs from all of our franchisees to determine an average of our franchisees.

Part IV of this Item presents historical cost information, including cost of goods sold (food and packages costs), as a percentage of sales. This cost information is provided for a subset of Zoup!® Restaurants consisting of 2 Restaurants owned and operated by our affiliate Zoup! Fresh Soup for a full 12 months during 2013. These 2 Restaurants represent 100% of the affiliate-owned Restaurants operating as of the date of the Disclosure Document and 3.5% of the total Restaurants operating at the end of 2013. We have used cost information from our affiliate-owned Restaurants because we do not have the actual food and packages costs from all of our franchisees to determine an average of our franchisees.

Part V of this Item presents historical average ticket information from 46 Restaurants opened for the full 12 months during 2013. This includes all Restaurants that were opened for the entire year except

1 affiliate-owned Restaurant that we acquired in October 2012 and closed in January 2014. Of the 46 Restaurants that were used in preparing average ticket information, 2 Restaurants are owned and operated by our affiliate Zoup! Fresh Soup and 44 are franchised businesses. These 46 Restaurants represent 81% of the 57 Zoup!® Restaurants that were in operation at the end of 2013. The 44 franchised Restaurants represent 80% of all franchised Zoup!® Restaurants and 77% of all Zoup!® Restaurants in operation at the end of 2013.

Please carefully read all information in this Item 19, including the Notes and Assumptions following the Table, which explain the information and the limitations on the information contained in the Table.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Part I
Average Sales
Franchise and Affiliate Operations
December 31, 2012 through December 29, 2013
(52 Weekly Sales Periods)

Michigan (16 Units), Ohio (11 Units), Pennsylvania (5 Units), Ontario, Canada (2 Units), Colorado (3 Units), Washington, D.C. (1 Unit), Illinois (3 Units), Indiana (3 Units), Kentucky (1 Unit), and Missouri (1 Unit) Locations – 46 Units

Zoup!® Locations Opened Entire 2013 Calendar Year 46 Units	Annual 2013 Gross Sales	Average Weekly 2013 Gross Sales
Highest Gross Revenue Zoup!® Location	\$1,171,155	\$22,522
Lowest Gross Revenue Zoup!® Location	\$299,069	\$5,751
Average of all 46 Locations [18 of the 46 (39%) met or exceeded the average]	\$604,047	\$11,616

"Gross Sales" means the entire amount of all of the revenues from the operation of the Restaurant net of applicable sales tax.

This table does not contain any information regarding the expenses you may incur in operating your business.

Part II
Seasonality of Zoup! Annual Revenue

Zoup! Restaurants are open 12 months a year and experience higher sales in certain periods of the year. Based on all 39 Zoup! Restaurant locations open for the entire 12 month period beginning January 1, 2012 and ending December 31, 2012, the average percentage of revenue by quarter was as follows:

13 Week Period	% of Annual Sales
January – March	27.30%
April – June	21.59%

13 Week Period	% of Annual Sales
July – September	21.42%
October – December	29.69%

Part III
Average Payroll Costs as a % of Gross Sales
Affiliate Operations Only
January 1, 2013 through December 31, 2013

In calendar year 2013, the average payroll costs, including the general manager, as a percentage of gross sales for the 2 affiliated Restaurants was 21% [1 of the 2 (50%) met or exceeded the average]. The average general manager's annual compensation for the 2 affiliated Restaurants was \$36,187 [1 of the 2 (50%) met or exceeded the average].

Payroll Costs include the manager's compensation, all payroll taxes and payroll related benefits. The percentage is determined by dividing the Payroll Costs by Gross Sales.

General Manager's annual compensation excludes all payroll taxes and payroll related benefits.

This analysis does not contain complete information containing the expenses you will incur in operating your business.

Part IV
Average Cost of Goods Sold as a % of Gross Sales
January 1, 2013 through December 31, 2013

In calendar year 2013, the average cost of goods sold (food and paper), as a percentage of gross sales for the 2 affiliated Restaurants was 36% [1 of the 2 (50%) met or exceed the average].

Cost of Goods Sold ("COGS") includes the cost of all food products, condiments and packaging costs. The percentage is determined by dividing the COGS by Gross Sales.

This analysis does not contain complete information containing the expenses you will incur in operating your business.

Part V
Average Ticket
January 1, 2013 through December 31, 2013

In calendar year 2013, the average ticket for the 46 Restaurants was \$11.20 [19 of the 46 (41%) met or exceeded the average].

Notes:

1. Gross Sales less the Costs of Goods Sold and Labor Expenses does not reflect the actual potential income of a Restaurant and should not be relied on in calculating profitability. There are a number of fixed and variable costs associated with a Restaurant, not all of which are reflected in the information above and that vary among individual Restaurants. These expenses, which are likely to be significant, include, but are not limited to, the following: the certain costs listed above, costs described in Items 6 and 7 of this disclosure document, including the 6% royalty fee; interest or finance charges if you finance some or all of the cost of the franchise; depreciation on property and equipment; occupancy costs

(including rent, maintenance, insurance and utilities); store supplies; credit card fees; worker's compensation and general liability insurance; taxes; national brand marketing fund; customer service and training fund; tech fund; accounting and legal fees and general administrative expenses; any pre-opening or amortization of organization costs; costs associated with regulatory compliance; management costs; fringe benefits; and certain repairs and maintenance. We strongly encourage you to consult with your financial advisors in reviewing the table and, in particular, in estimating the categories and amount of additional expenses you will incur in establishing and operating a Restaurant.

2. You should be aware that you may incur expenses that may not be incurred by affiliate owned Restaurants

3. You should also be aware that the financial performance of any particular Restaurant might be affected by a number of factors that may vary due to the individual characteristics of the Restaurant. These factors include, but are not limited to: competition from other restaurants; appreciation and acceptance of the products offered by your Restaurant in the community in which your Restaurant is located; your efforts; your experience; the quality and effectiveness of your managerial skills; and your decisions with respect to location, additional advertising programs, personnel and cost controls; geographic and socioeconomic conditions in your locality; business cycles; the performance of the local, national and world economy.

Some Restaurants have achieved the sales and expense amounts described above in this Item. Your individual results may differ. There is no assurance that you will achieve the same sales and expense amounts.

We may give a prospective franchisee who is seeking to buy a specific operating unit, whether owned by us or another franchisee, actual operating results of that unit.

Even if you achieve or exceed the highest Restaurant revenues described in this Item, there is no guarantee that your Restaurant will be profitable. We do not represent or guarantee that your Restaurant will be profitable.

The gross sales and expense data in the tables is a compilation of information from existing Restaurants and should not be considered as the actual results that will be realized by you. Gross sales and gross profit do not reflect the actual potential net income of a Restaurant and should not be relied on in calculating profitability. There are a number of fixed and variable costs associated with a Restaurant, not all of which are reflected in the tables and that vary among individual Restaurants. We do not represent that you can expect to attain any of the results reflected in the tables. Actual results will vary from Restaurant to Restaurant and we cannot estimate or guarantee the results of any specific Restaurant. Actual sales and earnings of a Restaurant are affected by many factors, some of which are noted in this Item, including your own efforts, ability and control of the Restaurant, as well as factors that are beyond your control.

We recommend that you make your own independent investigation to determine whether or not the franchise may be profitable to you. You should use the above information only as a reference in conducting your analysis and preparing your own projected income statements and cash flow statements. We suggest strongly that you consult your financial advisor or personal accountant concerning financial projections and federal, state and local income taxes and any other applicable taxes that you may incur in operating a franchised restaurant.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such

representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Eric Ersher, eric@zoupco.com, 28290 Franklin Road Southfield, MI 48034, 248-663-1111 ext. 101, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System wide Outlet Summary
For Years 2011 to 2013

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2011	22	37	+15
	2012	37	43	+6
	2013	43	54	+11
Company-Owned*	2011	6	3	-3
	2012	3	4	+1
	2013	4	3	-1
Total Outlets	2011	28	39	+12
	2012	39	47	+7
	2013	47	57	+10

*"Company-Owned" Restaurants are majority owned and operated by our affiliate, Zoup! Fresh Soup.

Table No. 2
Transfers of Outlets From Franchisees to New Owners
(Other than the Franchisor)
For Years 2011 to 2013

State	Year	Number of Transfers
Colorado	2011	0
	2012	1
	2013	0
Connecticut	2011	0
	2012	0
	2013	0
Illinois	2011	0
	2012	0
	2013	0
Indiana	2011	0
	2012	0
	2013	0
Massachusetts	2011	0
	2012	0
	2013	0

State	Year	Number of Transfers
Michigan	2011	0
	2012	0
	2013	0
New Jersey	2011	0
	2012	0
	2013	0
Ohio	2011	0
	2012	1
	2013	0
Pennsylvania	2011	0
	2012	0
	2013	0
Washington, D.C.	2011	0
	2012	0
	2013	0
Total	2011	0
	2012	2
	2013	0

**Table No. 3
Status of Franchised Outlets
For Years 2011 to 2013**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
CO	2011	0	2	0	0	0	0	2
	2012	2	1	0	0	0	0	3
	2013	3	0	0	0	0	0	3
CT	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	1	0	0
	2013	0	0	0	0	0	0	0
DE	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	1	0	0	0	0	1
IL	2011	0	2	0	0	0	0	2
	2012	2	1	0	0	0	0	3
	2013	3	3	0	0	0	0	6
IN	2011	1	2	0	0	0	0	3
	2012	3	0	0	0	0	0	3
	2013	3	0	0	0	0	0	3
IA	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
KY	2011	0	0	0	0	0	0	0
	2012	0	1	0	0	0	0	1
	2013	1	0	0	0	0	0	1
MA	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	1	0
MI	2011	8	4	0	0	0	0	12
	2012	12	0	0	0	0	0	12
	2013	12	1	0	0	0	0	13
MO	2011	0	0	0	0	0	0	0
	2012	0	1	0	0	0	0	1
	2013	1	0	0	0	0	0	1
NJ	2011	1	0	0	0	0	1	0
	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
OH	2011	4	4	0	0	0	0	8
	2012	8	3	0	0	0	0	11
	2013	11	3	0	0	0	0	14
PA	2011	6	0	0	0	0	0	6
	2012	6	0	0	0	0	1	5
	2013	5	0	0	0	0	0	5
VA	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	1	0	0	0	0	1
WA, DC	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
Canada	2011	0	1	0	0	0	0	1
	2012	1	1	0	0	0	0	2
	2013	2	2	0	0	0	0	4
Totals	2011	22	16	0	0	0	1	37
	2012	37	8	0	0	1	1	43
	2013	43	12	0	0	0	1	54

Table No. 4
Status of Company-Owned Outlets
For Years 2011 to 2013

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Connecticut	2011	0	0	0	0	0	0
	2012	0	0	1	0	0	1
	2013	1	0	0	0	0	1
Michigan	2011	6	0	0	0	3	3
	2012	3	0	0	0	0	3
	2013	3	0	0	0	1	2
Totals	2011	6	0	0	0	3	3
	2012	3	0	1	0	0	4
	2013	4	0	0	0	1	3

All of the outlets reflected in Table No. (A)-4 are majority owned and operated by our affiliate, Zoup! Fresh Soup.

Table No. 5
Projected Openings as of December 31, 2013

State	Franchise Agreements Signed But Outlet Not Yet Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Colorado	0	1	0
Delaware	0	1	0
Illinois	3	2	0
Indiana	1	1	0
Kentucky	1	1	0
Maryland	1	0	0
Massachusetts	1	0	0
Michigan	3	0	0
Missouri	0	1	0
Montana	0	0	0
New Jersey	1	1	0
New York	2	1	0
Ohio	7	0	0
Ontario, Canada	3	0	0
Oregon	2	0	0
Pennsylvania	3	0	0
Virginia	1	1	0
Totals	29	10	0

The information in the tables is as of December 31st of each year.

The names, addresses and telephone numbers of all Zoup! franchisees are listed on Exhibit E. Attached as Exhibit F is a list of the name, city and state, and current business telephone number, or if unknown, the last known home telephone number, of every franchisee who has had a franchise terminated, transferred, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement or Area Development Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

If we sell a formerly franchised outlet that is now under our control, we will provide you with the following information for the outlet (covering the last 5 fiscal years): (a) the name, city and state, current business telephone number, or if unknown, last known home telephone number of each previous owner of the outlet within the last 5 years; (b) the time period when each previous owner controlled the outlet; (c) the reason for each previous change in ownership; and (d) the time periods when the franchisor retained control of the outlet (for example, after termination, non-renewal, or reacquisition). This disclosure may be provided as an addendum to this disclosure document or in a supplement to the disclosure document, if disclosure was already made.

None of our franchisees have signed confidentiality clauses restricting their ability to speak openly about their personal experience with us during the last 3 fiscal years.

We have created a Franchisee Advisory Council (FAC) to act as a sounding board and to work with our leadership team. The members of the FAC are nominated by our management team and are appointed by us for one or 2-year staggered terms. We currently conduct a monthly call and an annual meeting with the FAC. The members and contact information for the FAC can be obtained by contacting us at (248) 663-1111. Except for the FAC, there are no trademark-specific franchisee organizations associated with the Zoup!® franchise system that have been created, sponsored or endorsed by us or that have asked to be included in this disclosure document.

ITEM 21 **FINANCIAL STATEMENTS**

Attached as Exhibit G are our audited financial statements as of December 31, 2013, 2012 and 2011.

ITEM 22 **CONTRACTS**

The following contracts are attached to this disclosure document:

Franchise Agreement – Exhibit B

Area Development Agreement – Exhibit C

ITEM 23 **RECEIPTS**

Two copies of a Receipt of this disclosure document are attached as Exhibit I. You should sign and date both copies of the Receipt, retain one copy for your records and return the other copy to us, ATTENTION: Franchise Administration, Zoup! Systems, LLC, 28290 Franklin Road Southfield, MI 48034, Fax 248-663-9880. Also, using the Intranet system password that we provide to you to access the FDD will serve as proof of your receipt of the FDD.

EXHIBIT A

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

Listed below are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws:

<u>CALIFORNIA</u> Department of Corporations 320 West 4 th Street, Suite 750 Los Angeles, California 90013 (213) 736-2741	<u>HAWAII</u> Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722
<u>ILLINOIS</u> Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	<u>INDIANA</u> Indiana Secretary of State Securities Division, Room E 111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681
<u>MARYLAND</u> Office of Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202 (410) 576-7042	<u>MICHIGAN</u> Consumer Protection Division Department of Attorney General 670 Law Building Lansing, Michigan 48913 (517) 373-7117
<u>MINNESOTA</u> Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 296-4026	<u>NEW YORK</u> New York State Department of Law 120 Broadway, 23rd Floor New York, New York 10271 (212) 416-8211
<u>NORTH DAKOTA</u> North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor Dept 414 Bismarck, North Dakota 58505-0510 (701) 328-4712	<u>RHODE ISLAND</u> Rhode Island Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Ave., Building 69-1 Cranston, Rhode Island 02910 (401) 462-9588
<u>SOUTH DAKOTA</u> Franchise Administrator Division of Securities 445 East Capitol Avenue Pierre, South Dakota 57501 (605) 773-4823	<u>VIRGINIA</u> State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, Ninth Floor Richmond, Virginia 23219 (804) 371-9051
<u>WASHINGTON</u> Department of Financial Institutions General Administration Building Securities Division - 3rd Floor West 210 11th Street, S.W. Olympia, Washington 98504 (360) 902-8760	<u>WISCONSIN</u> Department of Financial Institutions Division of Securities 4 th Floor 345 W. Washington Avenue Madison, Wisconsin 53703 (608) 266-1064

Agents for Service of Process:

Our Agent for Service of Process in the State of Michigan is Eric Ersher at 28290 Franklin Road Southfield, MI 48034.

<p><u>CALIFORNIA</u> Commissioner of Corporations Department of Corporations 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344</p>	<p><u>HAWAII</u> Commissioner of Securities Director of Department of Commerce and Consumer Affairs 335 Merchant Street, Suite 203 Honolulu, Hawaii 96813</p>
<p><u>ILLINOIS</u> Illinois Attorney General 500 South Second Street Springfield, Illinois 62706</p>	<p><u>INDIANA</u> Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204</p>
<p><u>MARYLAND</u> Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020</p>	<p><u>MICHIGAN</u> Michigan Department of Commerce Corporations and Securities Bureau 6546 Mercantile Way P.O. Box 30222 Lansing, Michigan 48910</p>
<p><u>MINNESOTA</u> Minnesota Commissioner of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2138</p>	<p><u>NEW YORK</u> Secretary of State of the State of New York 41 State Street Albany, NY 12231</p>
<p><u>NORTH DAKOTA</u> Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor Dept 414 Bismarck, North Dakota 58505-0510</p>	<p><u>RHODE ISLAND</u> Director of Rhode Island Department of Business Regulation John O. Pastore Complex 1511 Pontiac Ave., Building 69-1 Cranston, Rhode Island 02910 (401) 462-9588</p>
<p><u>SOUTH DAKOTA</u> Director Division of Securities Department of Labor and Regulation 445 East Capitol Avenue Pierre, South Dakota 57501</p>	<p><u>VIRGINIA</u> Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219</p>
<p><u>WASHINGTON</u> Securities Administrator Washington State Department of Financial Institutions 150 Israel R. SW Tumwater, Washington 98501</p>	<p><u>WISCONSIN</u> Department of Financial Institutions Division of Securities 4th Floor 345 W. Washington Avenue Madison, Wisconsin 53703</p>

EXHIBIT B

FRANCHISE AGREEMENT

EXHIBIT C

AREA DEVELOPMENT AGREEMENT

EXHIBIT D

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EXHIBIT E

LIST OF ZOUP! RESTAURANTS

Store ID #	Store Name	Contact Person(s)	Franchisee	Address	City	State	Zip	Phone	Date Open/ Projected
COLORADO									
143	Zoup! Sheraton Hotel	Bill, Sandy & Matt Garrett	Garrett Enterprises, LLC	1550 Court Place	Denver	CO	80202	303-573-5035	5/26/2011
160		Wes Sagawa	Sagawa Family Soup Company, LLC		Denver	CO		303-968-4555	2013
158	Zoup! 7th & North	Terry & Joya Piland	eatZ!, LLC	644 North Ave., Unit 1	Grand Junction	CO	81501	970-361-3340	11/15/2012
144	Zoup! Arapahoe & Dayton	Wes Sagawa	Sagawa Family Soup Company, LLC	9672 E. Arapahoe Road	Greenwood Village	CO	80112	303-790-9900	6/30/2011 T: 8/20/2011
DELAWARE									
155	Zoup! Kirkwood Hwy & Limestone Rd.	Eric & Dia Ames	Ames Enterprise, Inc.	4715 Kirkwood Hwy.	Wilmington	DE	19808	302-660-4400	9/26/2013
ILLINOIS									
170	Zoup! Eola & Aurora	Amanda & Ben Brooks, Rachel & Mark Loerop	AGILE INVESTMENTS, LLC.	1167 N. Eola Rd., Ste. 105	Aurora	IL	60502	630-300-0880	7/11/2013
154	Zoup! N. Veterans & Washington	Todd Ashley	Ashley Restaurants, Inc.	115 Krispy Kreme Dr., Ste. 1	Bloomington	IL	61704	309-319-9600	3/8/2012
167	Zoup! Adams & Clark	Jim Behling & Stan Bumstead	Apexiti, Inc.	62 W. Adams St	Chicago	IL	60603	312-470-9797	10/3/2013
198		Jim Behling & Stan Bumstead	Apexiti, Inc.		Chicago	IL		312-656-5810	2014
134	Zoup! Finley Rd.	Mat Sall & Andy Toomire	XSK, Inc.	2948 Finley Rd.	Downers Grove	IL	60515	630-629-9687	1/17/2011
169	Zoup! Plaza Del Prado	Andrew Siegel	Ladle & The Tramp, LLC	2743 Pflingsten Rd.	Glenview	IL	60025	847-400-1000	2/6/2014
166	Zoup! Orland Square Mall	Mansour & Ballouta	BALLUTA, INC.	346 Orland Square	Orland Park	IL	60462	708-966-3010	7/25/2013
177		Steve & Patti Bunch	Bunch Family Enterprises Inc.		Quincy	IL		217-257-8312	2014
148	Zoup! Cantera Commons	Joseph & Laura Mckernan	JRLLM, Inc.	28341 Diehl Rd.	Warrenville	IL	60555	630-821-9800	12/15/2011
INDIANA									
147	Zoup! West Carmel Drive	Carl & Millissa Kurcinka	Bisque Investments, Inc.	1430 W. Carmel Drive	Carmel	IN	46032	317-810-9800	9/15/2011

Store ID #	Store Name	Contact Person(s)	Franchisee	Address	City	State	Zip	Phone	Date Open/Projected
126	Zoup! Melmar Plaza	Nasser & Nooshin Mehrnia	3Ns, LLC	6240 E. Virginia Street, Ste. H	Evansville	IN	47715	812-477-2664	10/19/2009
140	Zoup! Evansville	Nasser & Nooshin Mehrnia	PILLAR Holdings, LLC	4660 N. 1 st Ave	Evansville	IN	47710	812-423-1800	1/6/2011
200		Kevin Pearson	K & S Soup Company, Inc.		South Bend	IN		574-339-2528	2014
IOWA									
179	Zoup! Lakeport Commons	Mark & Laurie Westrich	GBT Soup, Inc	5001 Sergeant Rd.	Sioux City	IA	51106	712-212-9777	11/21/2013
KENTUCKY									
152	Zoup! 4 th Street	Paul & Rachelle Gilles	PRGILLES KY LLC	318 S. 4 th Street, Ste. 6	Louisville	KY	40202	502-585-9687	4/5/2012
MARYLAND									
181		Richard Scott	Legal Soup, LLC		Baltimore	MD		410-245-8733	2014
MASSACHUSETTS									
201		Mark & Lori Fox	ML Ventures, Inc.		Boston	MA		508-277-9190 508-361-6698	2014
MICHIGAN									
107	Zoup! Ann Arbor	Lisa Pierce	JENMITCH, LLC	2619 Plymouth Rd.	Ann Arbor	MI	48105	734-997-9070	7/15/2004
197		Nisharth Patel	Nishhh Enterprises, Inc.		Auburn Hills	MI		248-427-8134	2014
102	Zoup! RenCen	Kamal Khalil	Maha's Place, LLC	200 Renaissance Center A-2012	Detroit	MI	48243	313-567-7500	6/30/2000
115	Zoup! Cascade	Grant & Amy Winkleman	SOUPERGROUP, INC	4021 Cascade Road, S.E.	Grand Rapids	MI	49546	616-956-3052	10/24/2006
149	Zoup! Medical Mile Food Court	Grant & Amy Winkleman	SOUPERGROUP, INC.	25 Michigan St. NE	Grand Rapids	MI	49503	616-608-1400	9/9/2011
129	Zoup! Holland	Doug & Dianne Fikse	SAM CRAB, LLC	3435 Westshore Drive	Holland	MI	49424	616-738-9687	4/6/2010
194		Mike & Kate Longman	HEAR Holdings LLC		Kalamazoo	MI	49009	269-720-5545	2014
138	Zoup! Washington Square	Mark & Susan Rantz	Whit-Kay, LLC	214 S. Washington Square	Lansing	MI	48933	517-367-7400	12/3/2010
104	Zoup! Northville	David Mauro	MAURO FAMILY SOUP, INC	20065 Haggerty Rd.	Northville	MI	48167	248-374-1000	9/1/2001

Store ID #	Store Name	Contact Person(s)	Franchisee	Address	City	State	Zip	Phone	Date Open/ Projected
120	Zoup! Twelve Oaks	Jay Patel, Rick Wynns & Josh Ruth	JRJ Enterprise, Inc.	27292 Novi Rd. – FC 109	Novi	MI	48377	248-468-0350	10/16/2007
124	Zoup! Novi	Danielle Jones	DM WILLIAMS LLC / FIRST VENTURE,LLC	47996 Grand River Ave.	Novi	MI	48375	248-449-5025	6/16/2009
119	Zoup! Sheldon Place	Tania & Stacey Henderson	CRYSTAL SEA HOLDING, LLC	15171 Sheldon Rd.	Plymouth Twp	MI	48170	734-259-0000	6/29/2007
111	Zoup! Centerpoint	Karl Lewis	Suburban Cuts, Inc.	3999 Centerpoint Pkwy	Pontiac	MI	48341	248-874-1111	1/7/2005
101	Zoup! Northwestern	Corporate	Corporate	29177 Northwestern Hwy	Southfield	MI	48034	248-799-2800	9/30/1998
122	Zoup! Somerset	Corporate	Corporate	2800 West Big Beaver	Troy	MI	48084	248-816-3132	8/7/2008
103	Zoup! Troy	Dennis Stevens	Waldron II, LLC	2873 W. Maple Rd.	Troy	MI	48083	248-435-5300	4/13/2001
123	Zoup! Byron Center	Grant & Amy Winkleman	SOUPERGROUP, INC	5783 Bryon Center Avenue SW	Wyoming	MI	49519	616-261-8022	3/9/2009
MISSOURI									
150	Zoup! West County Center	Christina Wagner	The Next Chapter, LLC	80 West County Center, Ste. 186	Des Peres	MO	63131	314-800-0414	11/1/2012
162	Zoup! Olive Blvd	The Ultimate Soup Co. Inc.	Thaer M. Abdulkarim Mohammad S. Farahn Faud M. Abdulkarim Naser Anwar Ghallab	810 N. New Ballas	St. Louis	MO	63141	314-792-6060	1/17/2014
NEBRASKA									
188	Zoup! 27 th & Pine Lake	Todd Knorr	Black Rock Management Company Inc.	2801 Pine Lake Rd., Ste U	Lincoln	NE	68516	402-875-9779	3/6/2014
NEW JERSEY									
180		Clinton & Charmayne Fleming	Glassy Sea, Corp.		Piscataway	NJ		973-477-7170	2014
NEW YORK									
186		Graeme Pratt & Jamie Marjoram	JOSLAN NEW YORK LLC		Brooklyn	NY		646-388-4018	2014
178	Zoup! Putnam Plaza	Laurel Impellizeri	Bring Home The Soup Hudson Valley, LLC	1906 Route 6, Ste. 23	Carmel	NY		845-520-3333	2/28/2014

Store ID #	Store Name	Contact Person(s)	Franchisee	Address	City	State	Zip	Phone	Date Open/Projected
183		Annie Chen & Ming Chung	Our First Hsu Corp.		Long Island	NY		917-756-3993 917-678-8883	2014
192	Zoup! Crossroads Centre	Michael Wiktor	M&K Home Enterprises, LLC	3217 Southwestern Blvd. Ste E	Orchard Park	NY	14127	716-667-2937	June 2014
OHIO									
163	Zoup! Montrose Centre	Paul & Maureen Harris	HRG2, Inc.	3900 Medina Rd., Ste. W	Akron	OH	44333	330-622-4300	1/17/2013
193	Zoup! Avon Commons	Colleen Hopkins	Skip Enterprises, LLC	35918 Detroit Rd.	Avon	OH	44011	440-823-3319	May 2014
141	Zoup! Stetson Square	Coy & Elizabeth Compton	TPC Stetson, LLC	260 Stetson St. Ste. C	Cincinnati	OH	45219	513-221-1888	3/31/2011
130	Zoup! Euclid Ave	Don & Pat Hoag	JOHN CLIFFORD, LTD	236 Euclid Ave	Cleveland	OH	44115	216-344-3050	Reopened 6/14/2012
139	Zoup! Huntington Center	Denis & Poonam Barboza	P & D Barboza, LLC	41 S. High Street	Columbus	OH	43215	614-405-7800	11/10/2011
191		Denis & Poonam Barboza	S & C Barboza, LLC		Columbus	OH		740-513-2029	2014
199		Jim & Treva Weaver	J D Weaver, LLC		Columbus	OH		614-890-0143	2014
112	Zoup! Rockside	Manish Kapur	MKRR, LLC	6901 Rockside Road	Independence	OH	44131	216-328-9300	4/12/2006
114	Zoup! Maumee	Franz & Paul Gilis	INTERESTING VENTURES, LLC	310 West Dussel Drive	Maumee	OH	43537	419-724-9687	3/13/2006
187	Zoup! Cedar Rd & Warrensville Center Rd.	Paul & Maureen Harris	HRG 3, Inc.	13957 Cedar Rd.	South Euclid	OH	44118	330-472-6204	May 2014
156	Zoup! Points East	Jamie & Kathy Buzzanca	KATJAM Enterprises, LLC	7327 Mentor Ave.	Mentor	OH	44060	440-701-4110	10/4/2012
189	Zoup! Willoughby Commons	Jamie & Kathy Buzzanca	KATJAM Enterprises, LLC	36161 Euclid Ave.	Willoughby	OH	44094	440-413-9530	May 2014
171	Zoup! Engle Rd.	George Rofail	Victorious 528 Restaurants, Inc.	7080 Engle Rd., Ste. C	Middleburg Heights	OH	44130	440-345-9090	7/18/2013
151	Zoup! Portage Street	Paul & Maureen Harris	Harris Restaurant Group, Inc.	4898 Portage St. NW	North Canton	OH	44720	330-433-4090	1/26/2012
113	Zoup! Solon	Pat & Don Hoag	JOHN CLIFFORD, LTD	30050 Aurora Rd.	Solon	OH	44139	440-349-0020	3/20/2006
161	Zoup! Talmadge Towne Center	Kaye Brazier	KBSS Company, Inc.	4204 W. Sylvania Ave., Ste 104	Toledo	OH	43623	419-481-8700	12/13/2012

Store ID #	Store Name	Contact Person(s)	Franchisee	Address	City	State	Zip	Phone	Date Open/ Projected
145	Zoup! Harvard Park	Don & Pat Hoag	JOHN CLIFFORD, LTD	4025G Richmond Road	Warrensville Heights	OH	44122	216-365-7210	12/8/2011
164	Zoup! Polaris & Westgreen	Jim & Treva Weaver	J D Weaver, LLC	522 Polaris Pkwy.	Westerville	OH	43082	614-212-2100	6/13/2013
142	Zoup! Promenade at Crocker Park	Colleen & Marty Hopkins	Hopkins Enterprises, LLC	30187 Detroit Rd.	Westlake	OH	44145	440-892-9687	4/28/2011
OREGON									
190	Zoup! Argyle Square	Brian Carney, David & Alexandra Carney	Templar Inc.	8729 SW Jack Burns Blvd., Unit E	Wilsonville	OR	97035	503-679-8231	2014
PENNSYLVANIA									
125	Zoup! Airport Center	Leo Mariani	AIRPORT SOUPERSALAD, LLC	1828 Airport Rd.	Allentown	PA	18109	610-264-5901	8/24/2009
136	Zoup! Providence Town Center	Julie & Paul Diaz	JPD MANAGEMENT, LLC	500 Broad Street, Ste. 1	Collegeville	PA	19426	610-409-6100	8/30/2010
135	Zoup! Lower Nazareth Commons	John Basilavecchio & Donna Burke	FORWARD MOMENTUM, INC	3770 Dryland Way, Suite 100	Easton	PA	18045	610-253-3900	11/8/2010
116	Zoup! Park City Center	Julie & Paul Diaz	JPD MANAGEMENT, LLC	359 Park City Center	Lancaster	PA	17601	717-553-7020	7/19/2012
196		Dan London	C&D Restaurants, LLC		Lafayette Hill	PA		610-772-0616	2014
184	Zoup! Southpointe Town Center	Dominick & Karen Bovalina	Bueno Zuppa LLC	1900 Main St., Ste 111	Canonsburg	PA	15317	724-416-9500	4/10/2014
121	Zoup! Wyomissing	Julie & Paul Diaz	JPD MANAGEMENT, LLC	760 Woodland Rd.	Wyomissing	PA	19610	610-372-6717	11/12/2007
ONTARIO, CANADA									
172	Zoup! Hespeler Rd.	David Kroeker	Souper Dave Inc.	561 Hespeler Rd., Unit 19	Cambridge	ON	N1R 6J4	519-241-4139	11/14/2013
185		Jeff Cobb	J.H.C. Soup Company Inc.		Guelph	ON		519-208-7372	2014
174	Zoup! King & Ontario	Daryl Hunter	Dsquared2 Soup Inc.	73 King St., Ste 101	Kitchener	ON	N2G 1A7	519-747-9687	6/6/2013
176		Sam Tenizo	Tenizo Ltd.		Mississauga	ON		905-286-4705	2014
182		Zahra Salim & Dina Tawfik	Z & D Franchise Corp.		Oakville	ON		905-582-8996	2014
173	Zoup! 16 th & Leslie	Katy Wu	Souper Wu Inc.	1383 16 th Ave., Unit 2	Richmond Hill	ON	L4B 0E2	905-731-9687	4/3/2014

Store ID #	Store Name	Contact Person(s)	Franchisee	Address	City	State	Zip	Phone	Date Open/Projected
153	Zoup! Simcoe Place	Bac Tran & Kathy Thai	Tran-Thai Soup, Inc.	200 Front St., Unit F010	Toronto	ON	M5V 3K2	416-351-9687	11/8/2012
132	Zoup! Uptown Waterloo	Daryl Hunter	1788098 ONTARIO INC.	75 King St. South Ste.53	Waterloo London	ON	N2J 1P2	519-747-9687	6/3/2011
SOUTH DAKOTA									
175	Zoup! 41 st & Kiwanis	Anna Clarissa Miranda-Santos	Prairie Soup, LLC	2802 W. 41st St.	Sioux Falls	SD	57105	617-953-3436	1/30/2014
VIRGINIA									
195		Mayur Udeshi	AKS Enterprises LLC		Chantilly	VA		804-814-6386	2014
168	Zoup! Parkside Marketplace	Jeff & Betsy Lee	Lee Boys Enterprises, LLC	10835 W. Broad St.	Glen Allen	VA	23060	804-823-6446	10/31/2013
WASHINGTON D.C.									
137	Zoup! The Vermont Place	Abhay Manglik	Axiom Investments, LLC	1101 Vermont Ave. NW	Washington	D.C.	20005	202-682-9687	4/21/2011

EXHIBIT F

LIST OF FRANCHISEES THAT LEFT THE SYSTEM IN THE PAST FISCAL YEAR

The following are the name, city and state and current business telephone number, or if unknown, the last known home telephone number, of every franchisee who has had a franchise terminated, transferred, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement or Area Development Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

George Keefe (Closed Location)
Boston, MA
508-527-4183

EXHIBIT G
FINANCIAL STATEMENTS

EXHIBIT H

STATE SPECIFIC DISCLOSURES AND ADDENDA TO AGREEMENTS

**ADDENDUM TO ZOUP! SYSTEMS, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF ILLINOIS**

For franchises and franchisees subject to the Illinois Franchise Disclosure Act of 1987 and the Illinois General Rules and Regulations under the Franchise Disclosure Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the ZOUP! SYSTEMS, L.L.C. Illinois franchise disclosure document.

1. Item 17 shall be supplemented to include the following disclosure:

The conditions under which your franchise can be terminated and your rights upon nonrenewal may be affected by Illinois law, 815 ILCS 705/1-44.
2. The Franchise Agreement and Area Development Agreement provide that Michigan law applies. However, the foregoing choice of law should not be considered a waiver of any right conferred upon you by the provisions of the Illinois Franchise Disclosure Act of 1987 and the Rules and Regulations under the Act with respect to the offer and sale of a franchise and the franchise relationship. As required under Illinois law, the laws of the State of Illinois will govern.
3. Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void." To the extent that any provision in the Franchise Agreement or Area Development Agreement is inconsistent with Illinois law, Illinois law will control.
4. Any provision which designates jurisdiction or venue or requires Franchisee to agree to jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois, except the arbitration may take place outside the State of Illinois.

**AMENDMENT TO ZOUP! SYSTEMS, L.L.C.
FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS**

This Amendment shall pertain to franchises sold in the State of Illinois and shall be for the purpose of complying with Illinois statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement or the Area Development Agreement to the contrary, each shall be amended as follows:

1. The Franchise Agreement and the Area Development Agreement shall each be supplemented with the following provision:

Any choice of law provision should not be considered a waiver of any right conferred upon you by the provisions of the Illinois Franchise Disclosure Act of 1987 and the Rules and Regulations under the Act with respect to the offer and sale of a franchise and the franchise relationship. As required under Illinois law, the laws of the State of Illinois will govern.

2. Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this state is void." To the extent that any provision in the Franchise Agreement or the Area Development Agreement is inconsistent with Illinois law, Illinois law will control.
3. To the extent that any limitations period set forth in the Franchise Agreement or the Area Development Agreement are inconsistent with the Illinois Franchise Disclosure Act, the Act will control; it being the intent of the parties that nothing contained in the Franchise Agreement or the Area Development Agreement shall prohibit Franchisee from instituting a private civil action under Section 26 of the Illinois Franchise Disclosure Act within the limitations periods set forth in Section 705/27 of the Act.
4. Any provision which designates jurisdiction or venue or requires you to agree to jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois, except that arbitration may take place outside the State of Illinois.

The parties have signed this Amendment as of the _____ day of _____,
_____.

ZOUP! SYSTEMS, L.L.C.

(Entity Franchise Owner)

By: _____

By: _____

Its: _____

Its: _____

(Individual Franchise Owner(s))

**ADDENDUM TO ZOUP! SYSTEMS, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF INDIANA**

1. **REGISTRATION OF THIS FRANCHISE IN THE STATE OF INDIANA DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER.**

2. The following is in addition to the disclosure in Item 17 of the Franchise Disclosure Document:

The release that you must sign as a condition to renewal or transfer excepts claims arising under the Indiana Deceptive Franchise Practices Law, Indiana Code 23-2-2.7.

The Franchise Agreement and Area Development Agreement for use in the State of Indiana specify that the Agreements and the construction of the Agreements will be governed by the laws of the State of Michigan except for the applicability of the Federal Arbitration Act and except that the Indiana Franchise Law (Indiana Code 23-2-2.5 and 23-2-2.7) will control where applicable.

**AMENDMENT TO ZOUP! SYSTEMS, L.L.C.
THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF INDIANA**

This Amendment shall pertain to franchises sold in the State of Indiana and shall be for the purpose of complying with Illinois statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement or the Area Development Agreement to the contrary, each shall be amended as follows:

In recognition of the requirements of the Indiana Deceptive Franchise Practices Act, Indiana Code 23-2-2.7, the parties agree as follows:

1. The release that you must sign as a condition to renewal or transfer shall not apply to claims arising under the Indiana Deceptive Franchise Practices Law, Indiana Code 23-2-2.7.
2. The Indiana Franchise Law (Indiana Code 23-2-2.5 and 23-2-2.7) will control where applicable.

The parties have signed this Amendment as of the _____ day of _____, _____.

ZOUP! SYSTEMS, L.L.C.

(Entity Franchise Owner)

By: _____
Its: _____

By: _____
Its: _____

(Individual Franchise Owner(s))

**ADDENDUM TO ZOUP! SYSTEMS, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MARYLAND**

For franchises and franchisees subject to the Maryland Franchise Registration and Disclosure Law, the following information amends or supplements, as the case may be, the corresponding disclosures in the main body of the text of the ZOUP! SYSTEMS, L.L.C. Franchise disclosure document:

Item 17.

The Franchise Agreement and Area Development Agreement provide that we may terminate the agreement if you voluntarily or involuntarily file for bankruptcy. These provisions may not be enforceable under federal bankruptcy law.

Pursuant to Code of Maryland Regulations Section 02.02.08.16L, any general release required of the franchisee as a condition of renewal, sale, assignment and/or transfer shall not apply to any release from liability under the Maryland Franchise Registration and Disclosure Law.

Section 14-216(c)(25) of the Maryland Franchise Registration and Disclosure Law requires the franchisor to file an irrevocable consent to be sued in Maryland. Accordingly, choice of forum provisions contained in the Franchise Agreement or the Area Development Agreement are amended to provide that you may file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction within the State of Maryland.

Section 14-227 of the Maryland Franchise Registration and Disclosure Law provides that any action brought under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

**AMENDMENT TO ZOUP! SYSTEMS, L.L.C.
FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF MARYLAND**

This Amendment shall pertain to franchises sold in the State of Maryland and shall be for the purpose of complying with Maryland statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement or the Area Development Agreement to the contrary, each Agreement shall be amended as follows:

1. Pursuant to Code of Maryland Regulations section 02.02.08.16L, any general release required of the franchisee as a condition of renewal, sale, assignment and/or transfer shall not apply to any release from liability under the Maryland Franchise Registration and Disclosure Law. The Franchise Agreement and Area Development are each amended accordingly.
2. Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to agree to any release, estoppel or waiver of liability as a condition of purchasing a franchise. To the extent that the Franchise Agreement or the Area Development Agreement may require you to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law in order to purchase your franchise, each is hereby amended to state that such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.
3. Section 14-227 of the Maryland Franchise Registration and Disclosure Law provides that any action brought under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.
4. Section 14-216(c)(25) of the Maryland Franchise Registration and Disclosure Law requires the franchisor to file an irrevocable consent to be sued in Maryland. Accordingly, the Franchise Agreement and the Area Development Agreement are amended to provide that you may file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction within the State of Maryland.
5. The Acknowledgements by Franchise Owner in Appendix B are amended as follows: "Notwithstanding anything in the Franchise Agreement or the Acknowledgments by Franchise Owner to the contrary, all representations requiring prospective franchisee to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

The parties have signed this Amendment as of the _____ day of _____, _____.

ZOUP! SYSTEMS, L.L.C.

(Entity Franchise Owner)

By: _____
Its: _____

By: _____
Its: _____

(Individual Franchise Owner(s))

**ADDENDUM TO ZOUP! SYSTEMS, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED FOR THE STATE OF MINNESOTA**

For franchises and franchisees subject to the Minnesota Franchise Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the ZOUP! SYSTEMS, L.L.C. franchise disclosure document.

Item 13

ZOUP! SYSTEMS, L.L.C. will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the marks to the extent required by Minnesota law.

Item 17

Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this franchise disclosure document, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement or Area Development Agreement, and that consent to transfer may not be unreasonably withheld.

Minn. Stat. Sec. 80C.21 provides that any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of Minnesota or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance or which has the effect of waiving compliance with any provision of "80C.01 to 80C.22 of the Minnesota Franchises Act, or any rule or order thereunder, is void.

Minn. Stat. 80.C.21 and Minn. Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the franchise disclosure document, the Franchise Agreement or Area Development Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

To the extent you are required to execute a general release in favor of ZOUP! SYSTEMS, L.L.C., such release shall exclude liabilities arising under the Minnesota Franchises Act, Minn. Stat. '80C.01 *et seq.* as provided by Minn. Rule 2860.4400D.

**AMENDMENT TO ZOUP! SYSTEMS, L.L.C.
FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF MINNESOTA**

This Amendment shall pertain to franchises sold in the State of Minnesota and shall be for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement or Area Development Agreement to the contrary, the Agreement shall be amended as follows:

1. Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Agreement, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of nonrenewal of the Franchise Agreement and Area Development Agreement.
2. ZOUP! SYSTEMS, L.L.C. will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the marks to the extent required by Minnesota law.
3. The Franchise Agreement and Area Development Agreement are supplemented by the following provision:

Pursuant to Minn. Stat. Sec. 80C.21, no provision of the Franchise Agreement or Area Development Agreement shall in any way abrogate or reduce any of your rights as provided in Minnesota Statutes, Chapter 80C, including but not limited to the right to submit matters to the jurisdiction of the courts of Minnesota.
4. Minn. Stat. 80.C.21 and Minn. Rule 2860.4400J prohibit ZOUP! SYSTEMS, L.L.C. from requiring litigation to be conducted outside Minnesota. In addition, nothing in the franchise disclosure document or the Franchise Agreement or Area Development Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.
5. To the extent you are required to execute a general release in favor of ZOUP! SYSTEMS, L.L.C., such release shall exclude liabilities arising under the Minnesota Franchises Act, Minn. Stat. '80C.01 *et seq.* as provided by Minn. Rule 2860.4400J.
6. Any provision in the Franchise Agreement or Area Development Agreement requiring you to waive your right to a jury trial shall be deleted in its entirety.
7. Any claims brought pursuant to the Minnesota Franchises Act, 80.C.01 *et seq.* must be brought within 3 years after the cause of action accrues. To the extent that any provision of the Franchise Agreement or Area Development Agreement imposes a different limitations period, the provision of the Act shall control.

The parties have signed this Amendment as of the _____ day of _____,
_____.

ZOUP! SYSTEMS, L.L.C.

By: _____
Its: _____

(Entity Franchise Owner)

By: _____
Its: _____

(Individual Franchise Owner(s))

**ADDENDUM TO ZOUP! SYSTEMS, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NEW YORK**

ADDITIONAL RISK FACTORS:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

In recognition of the requirements of the New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16 the franchise disclosure document for ZOUP! SYSTEMS, L.L.C. for use in the State of New York shall be amended as follows:

1. Item 3 shall be supplemented by the following:

Except as set forth above, neither we, our predecessor, nor any person identified in Item 2 or an affiliate offering franchises under our principal trademark has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.

Except as set forth above, neither we, our predecessor, nor any person identified in Item 2 or an affiliate offering franchises under our principal trademark has been convicted of a felony or pleaded *nolo contendere* to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded *nolo contendere* to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

Neither we, our predecessor, any person identified in Item 2 or an affiliate offering franchises under our principal trademark is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, state or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or

expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

2. Item 4 shall be supplemented by the following:

During the 10-year period immediately before the application for registration, neither we nor our affiliate, any predecessor, current officers or general partner has: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after our officer or general partner held this position in the company or partnership.

3. Item 5 shall be supplemented by the following:

All franchisee fees are applied to the franchisor's general operating fund. All obligations of franchisor, whether to franchisees or otherwise, are paid out of this fund.

4. Paragraph "j" under the section labeled "assignment of contract by us" in Item 17 shall be supplemented by the following provision:

However, no assignment shall be made except to an assignee who, in our good faith judgment, is willing and able to assume your obligations under the Franchise Agreement or Area Development Agreement, respectively.

5. Paragraph "m" under the section in Item 17 titled "conditions for our approval of transfer" shall be supplemented as follows with respect to your execution of a general release:

Provided, however, that all rights you enjoy and any causes of action which arise in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder remain in force; it being the intent of this proviso that the nonwaiver provisions of the GBL Sections 687.4 and 687.5 be satisfied.

**AMENDMENT TO ZOUP! SYSTEMS, L.L.C.
FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF NEW YORK**

In recognition of the requirements of the New York General Business Law, Article 33, the parties to the attached ZOUP! SYSTEMS, L.L.C. Franchise Agreement or Area Development Agreement, as applicable, agree as follows:

1. Any provision of the Franchise Agreement or Area Development Agreement requiring you to sign a general release shall be supplemented by the following provision:

Provided that all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the GBL of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the nonwaiver provisions of Sections 687.4 and 687.5 of New York's GBL be satisfied.

2. The Franchise Agreement and Area Development Agreement are supplemented to include the following provision:

Notwithstanding anything to the contrary in this Agreement, you shall indemnify ZOUP! SYSTEMS, L.L.C. and hold ZOUP! SYSTEMS, L.L.C. harmless from liabilities resulting from your breaches and civil wrongs only.

3. The Franchise Agreement and Area Development Agreement are supplemented to include the following provision:

In the event of an assignment by ZOUP! SYSTEMS, L.L.C., ZOUP! SYSTEMS, L.L.C. will ascertain that its assignee, in ZOUP! SYSTEMS, L.L.C.'S reasonable judgment, possesses the economic resources to fulfill ZOUP! SYSTEMS, L.L.C.'S obligations to its franchisees.

4. The Franchise Agreement and Area Development Agreement are supplemented by the following provision:

Any choice of law provision shall not be considered a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the New York State General Business Law.

5. The Franchise Agreement and Area Development Agreement are supplemented by the following provision:

Nothing contained in this Agreement shall bar either party's right to seek to obtain injunctive relief against threatened conduct that will cause a loss or damage, under the usual equity rules, including the applicable rules for seeking to obtain restraining orders and preliminary injunctions.

6. The Franchise Agreement and Area Development Agreement contain a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under New York law.

7. ZOUP! SYSTEMS, L.L.C.'S termination of the Franchise Agreement or Area Development Agreement because of your insolvency or bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).

The parties have signed this Amendment as of the _____ day of _____, _____.

ZOUP! SYSTEMS, L.L.C.

(Entity Franchise Owner)

By: _____

By: _____

Its: _____

Its: _____

(Individual Franchise Owner(s))

**ADDENDUM TO ZOUP! SYSTEMS, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NORTH DAKOTA**

Notwithstanding anything to the contrary in the franchise disclosure document, the following provisions shall supersede and apply to all franchises offered and sold in the State of North Dakota:

1. Waiver of trial by jury is prohibited by law in the State of North Dakota.
2. Waiver of exemplary and punitive damages is prohibited by law in the State of North Dakota.
3. North Dakota prohibits a provision that the franchisee shall pay all costs and expenses incurred by Franchisor in enforcing the Franchise Agreement or Area Development Agreement.
4. North Dakota requires the following:

"In the event either party incurs legal fees or costs or other expenses to enforce any obligation of the other party hereunder, or to defend against any claim, demand, action or proceeding by reason of the other party's failure to perform or observe any obligation imposed upon that party by an agreement, then the prevailing party shall be entitled to recover from the other party the amount of all legal fees, costs and expenses, including reasonable attorneys' fees, whether incurred prior to, or in preparation for or contemplation of the filing of any claim, demand, action or proceeding to enforce any obligation of the other party hereunder or thereafter or otherwise."
5. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement and the Area Development Agreement, if those provisions are in conflict with North Dakota law.
6. Any provision in the Franchise Agreement and the Area Development Agreement which designates jurisdiction or venue, or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted when issued in the State of North Dakota.
7. North Dakota has determined that requiring a franchisee to sign a general release upon renewal of the franchise agreement is unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, all references to the Franchise Owner signing a general release upon renewal of the Franchise Agreement or the Area Development Agreement are deleted.
8. Covenants not to compete are generally considered unenforceable in the State of North Dakota. The Commissioner has held that covenants restricting competition are contrary to Section 9-08-06 of the North Dakota Century Code, and are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
9. North Dakota prohibits limiting the time period for bringing claims and the North Dakota statute of limitations will apply.

**AMENDMENT TO ZOUP! SYSTEMS, L.L.C.
THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF NORTH DAKOTA**

ZOUP! SYSTEMS, L.L.C. and Franchise Owner hereby agree that the Franchise Agreement and the Area Development Agreement, dated _____, 20___, as applicable, will be amended as follows:

1. Section 10(B) of the Franchise Agreement is amended to add the following:

"Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota."
2. The Franchise Agreement and the Area Development Agreement are amended as follows:

"In the event either party incurs legal fees or costs or other expenses to enforce any obligation of the other party hereunder, or to defend against any claim, demand, action or proceeding by reason of the other party's failure to perform or observe any obligation imposed upon that party, then the prevailing party shall be entitled to recover from the other party the amount of all legal fees, costs and expenses, including reasonable attorneys' fees, whether incurred prior to, or in preparation for or contemplation of the filing of any claim, demand, action or proceeding to enforce any obligation of the other party hereunder or thereafter or otherwise."
3. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement or the Area Development Agreement if such provisions are in conflict with North Dakota law.
4. Any provision in the Franchise Agreement or the Area Development Agreement which designates jurisdiction or venue, or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted when issued in the State of North Dakota. Section 14(E) of the Franchise Agreement and Section 9(E) of the Area Development Agreement are deleted.
5. Section 3(B) of the Franchise Agreement is amended to delete the requirement that a general release be signed.
6. Section 14(I) of the Franchise Agreement and Section 9(I) of the Area Development Agreement are deleted.

The parties have signed this Amendment as of the _____ day of _____, _____.

ZOUP! SYSTEMS, L.L.C.

(Entity Franchise Owner)

By: _____
Its: _____

By: _____
Its: _____

(Individual Franchise Owner(s))

**ADDENDUM TO ZOUP! SYSTEMS, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF RHODE ISLAND**

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34 the Franchise Disclosure Document ZOUP! SYSTEMS, L.L.C. for use in the State of Rhode Island shall be amended to include the following:

1. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following:

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. This addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this addendum to the Franchise Disclosure Document.

**ADDENDUM TO ZOUP! SYSTEMS, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF VIRGINIA**

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or Area Development Agreement does not constitute "reasonable cause" as the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Area Development Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

**ADDENDUM TO ZOUP! SYSTEMS, L.L.C. FRANCHISE DISCLOSURE DOCUMENT,
FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT
REQUIRED FOR THE STATE OF WASHINGTON**

The State of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectible to the extent that they reflect the franchisor's reasonable estimated or actual costs in effective a transfer.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20____.

ZOUP! SYSTEMS, L.L.C.

(Entity Franchise Owner)

By: _____

By: _____

Its: _____

Its: _____

(Individual Franchise Owner(s))

EXHIBIT I

RECEIPTS

RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Zoup! Systems, L.L.C. offers you a franchise, we must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under Iowa law, if applicable, Zoup! Systems, L.L.C. must provide this disclosure document to you at the earlier of your 1st personal meeting to discuss the franchise or 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under Michigan law, if applicable, Zoup! Systems, L.L.C. must provide this disclosure document to you at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under New York or Rhode Island law, if applicable, Zoup! Systems, L.L.C. must provide this disclosure document to you at the earlier of your 1st personal meeting to discuss the franchise or 10 business days before you sign a binding agreement with or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Zoup! Systems, L.L.C. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C, 20580 and any governing state agency.

A list of the names, principal business addresses, and telephone numbers of each franchise seller offering this franchise is as follows:

1. Richard Zimmer, Zoup! Systems, LLC, 28290 Franklin Road Southfield, MI 48034.

The issuance date is April 5, 2014. See Exhibit A for a list of our registered agents authorized to receive service of process.

I received a Disclosure Document with an issue date of April 5, 2014 that included the following Exhibits:

A	List of State Administrators and Agents for Service of Process	F	List of Franchisees that Left the System in the Past Fiscal Year
B	Franchise Agreement	G	Financial Statements
C	Area Development Agreement	H	State Specific Disclosures and Addenda
D	Operating Manual Table of Contents	I	Receipts (2 Copies)
E	List of Zoup! [®] Restaurants		

Signature: _____ **Date:** _____

Printed Name: _____

Individually and as an officer of _____

- (a _____ corporation)
 (a _____ limited liability company)
 (a _____ partnership)

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Signature:

Date: _____

Printed Name: _____

Individually and as an officer of _____

(a _____ corporation)

(a _____ limited liability company)

(a _____ partnership)