

# FRANCHISE DISCLOSURE DOCUMENT



KF TEA FRANCHISING LLC  
A Delaware Limited Liability Company  
589 8<sup>th</sup> Ave., 17<sup>th</sup> Floor  
New York, NY 10018  
1-855-KFT(538)-9888  
info@kfteausa.com  
www.kungfutea.com

We offer franchises for the operation of retail shops selling a variety of brew tea, bubble tea, coffee, juices, smoothies and other hot and cold drinks. We also offer a multi-unit franchise under which you agree to open and operate a specified number of Kung Fu Tea shops over an agreed period of time within an agreed geographic area.

The total investment necessary to begin operation of a Kung Fu Tea franchise is \$169,000 to \$378,000 for a standard Kung Fu Tea shop and \$184,000 to \$269,500 for a non-traditional unit. This includes \$59,000 to \$82,000 that you must pay to us or our affiliate for a standard unit and \$59,000 to \$70,000 for a non-traditional unit.

If you sign a multi-unit agreement covering three units, your total initial investment will be \$219,000 to \$428,000 if your first unit under the agreement is a standard unit and \$234,000 to \$319,500 if your first unit under the agreement is a nontraditional unit. This includes \$109,000 to \$132,000 that you must pay to us or our affiliate if your first unit franchise under the multi-unit agreement is a standard unit and \$109,000 to \$120,000 if your first unit under the multi-unit agreement is a nontraditional unit. If you sign an agreement for more than three units, you would pay us or our affiliate an additional \$12,500 for each unit you agree to develop after your third unit, and this amount would be added to your total initial investment.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **NOTE, HOWEVER, THAT NO GOVERNMENTAL AGENCY HAS VERIFIED THE INFORMATION CONTAINED IN THIS DOCUMENT.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Darren Chen at KF Tea Franchising LLC, 589 8<sup>th</sup> Ave., 17<sup>th</sup> Floor, New York, NY 10018, telephone 1-855-KFT(538)-9888.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or 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](http://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.

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## How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit <a href="#">B.A.</a>
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only KFT shop in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a KFT franchisee?</b>	Item 20 or Exhibit B lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## Special Risks to Consider About *This* Franchise

Certain states require that the following risks be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement and the multi-unit agreement require you to resolve disputes with the franchisor by litigation only in New York. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in New York than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
- ~~3. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.~~
34. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
- ~~4. **Turnover Rate.** In the last year, a large number of franchised outlets (53) transferred ownership to someone other than the franchisor or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.~~
- ~~5. **Unopened Franchises.** The Franchisor has signed a significant number of Franchise Agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you may also experience delays in opening your own outlet.~~

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" pages for your state (if any) to see whether your state requires other risks to be highlighted.

<b>Type of Fee</b>	<b>Amount</b>	<b>Date Due</b>	<b>Remarks</b>
Field assistance	The then-current rate of our personnel, currently \$180 per day plus expenses	When billed	We may charge a fee for on-site assistance that we provide at your request.
Conference fee	An amount sufficient to cover the costs of conferences	When billed	If we hold annual or other conferences for franchisees, we may charge this fee. You will cover the costs and expenses of your personnel who attend.
Additional training	Our then-current rate, currently \$250 per day per person trained	When billed, before additional training	This is in addition to the "initial training" for two people. Additional training takes place at one of our company or affiliate locations in the New York City area.
Remedial work	Our actual costs and a 25% service charge on labor and materials	When billed	If you fail to correct an unhealthy or unsafe condition after we notify you, we may complete the required work on your behalf and bill you.
Audit	\$2,000 to \$5,000	When billed	Payable if the audit is made necessary by your failure to furnish required information or if our audit shows an understatement of 2% or more for the period of the audit.
Transfer fee	\$5,000	At the time the transfer is consummated	This fee reimburses our reasonable costs when there is a change in ownership of your business.
Re-training upon transfer	\$5,000	At the time the transfer is consummated	We provide a five-day training course for the buyer of your business.
Management fee	Hourly fee of \$20 to \$50	When billed	If on the death or disability of a controlling owner of your business the business is not being managed properly we may appoint a manager until you appoint a trained replacement manager.
Renewal fee	Up to the greater of \$10,000 or 25% of the then-current initial fee.	<u>Before the term expires</u>	<u>You must notify us of your desire to renew the agreement 12 to 18 months before the end of its term.</u>

**Multi-Unit Agreement**

<b>Type of Fee</b>	<b>Amount</b>	<b>Date Due</b>	<b>Remarks</b>
Transfer Fee	\$10,000	At the time the transfer is consummated	This fee reimburses our reasonable costs.
Attorneys' Fees and Costs	Our actual costs	As incurred	Payable if we seek injunctive or other relief for the enforcement of any term of the agreement because of your default under the agreement.
Indemnification	Our actual costs	As incurred	You have to reimburse us for claims involving your business operations.

**General**

All fees described in this Item 6 are imposed by and payable to us and are non-refundable.

We may offer a negotiated royalty rate and marketing fee to multi-unit owners. We impose all other fees described in this Item 6 uniformly for all franchisees. We have no intention to reduce any of these fees for any prospective franchisee, although we reserve the right to do so in our sole discretion on a case-by-case basis.

We may from time to time increase the fees stated as dollar amounts or the ranges of fees stated in dollar amounts to amounts that do not exceed the percentage increase ~~may be increased from time to time to reflect increases~~ in the Metropolitan Area Consumer Price Index for All Urban Consumers based on the increase since a date not more than four years before the date of the increase ~~from the date of the franchise agreement or the multi-unit agreement~~, as published by the U.S. Department of Labor, or a successor index. After the first increase, we may make for any of the above fees stated in dollar amounts, the comparison date will be the date of the most recent increase in such fee. We may make these inflation adjustments annually or at intervals of more than one year.

liquidate or borrow against, to cover other expenses and any operating losses you may sustain, whether during your start-up and development stage or beyond. The amount of necessary reserves will vary ~~greatly from franchisee to franchisee and will depend upon many factors, including the rate of growth and success of your business, if any.~~

Because the costs and the level of reserves will vary from location to location, we strongly recommend that you retain the services of an experienced accountant or financial advisor to review these figures and to develop a business plan and financial projections for your particular business before you decide whether to purchase the franchise. We also recommend that you (a) obtain independent estimates from third-party vendors, (b) research applicable regulations and their impact on your costs and operations and (c) carefully evaluate the adequacy of your total financial resources and reserves.

**No Financing**

We do not offer any financing to you, either directly or indirectly. We are unable to estimate whether you will be able to obtain financing for any or all of your investment and, if so, the terms of such financing. Neither we nor any affiliate receives payment for the placing of financing. We do not guarantee or co-sign your notes, leases or any other obligations.

**Multi-Unit Agreement Estimated Initial investment – First Unit is a Standard Unit**

<i>Type of Expenditure</i>	<i>Amount</i>		<i>Method of Payment</i>	<i>When Due</i>	<i>To Whom Payment is to be Made</i>
	<i>Low</i>	<i>High</i>			
Development Fee (Note 13)	\$50,000 for three units plus \$12,500 for each unit to be developed after the third unit	\$50,000 for three units plus \$12,500 for each unit to be developed after the third unit	Lump sum	At signing of the Development Agreement	Us
Estimated initial investment for first shop (Note 14)	\$169,000	\$378,000	See Franchise Agreement table above	See Franchise Agreement table above	See Franchise Agreement table above
Total	\$219,000 plus \$12,500 for each unit to be developed after the third unit	\$428,000 plus \$12,500 for each unit to be developed after the third unit			

## Item 8

### RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

#### ***Required Purchases***

You must purchase most of your equipment and supplies from our affiliate, Arms Global Inc., as described in Item 5. Arms Global Inc. supplies to you all of the tea, coffee, concentrates and flavoring ingredients, as well as packaging materials, cups, menu boards, signs and other logoed merchandise that you will use in the franchised business. You must buy a reasonable variety of these products to meet the demands of your customers. You may not purchase these items from any other supplier.

In 2024, Arms Global Inc. received \$29,761,735 based on sales to our franchisees, which represented more than 99% of the total 2024 revenues of Arms Global Inc. of \$30,026,331 based on the company's internal books and records.

We require you to use the KFT Group App, which enables customers to earn loyalty rewards, as described in Item 11. The technology fee described in Item 6 pays for this service. The KFT Group App is not a revenue source for us. We collect 7.25% on all in-store purchases linked to the KFT Group App. All amounts collected in this manner go into a reserve fund that we use to compensate franchisees when they accept rewards points from customers to "pay" for Kung Fu Tea products. Except for the KFT Group App, we are not a supplier of any goods or services to franchisees.

You must purchase our specified model of Faema espresso machine only from our designated supplier, Omnipak Import or another supplier we specify. You must purchase your blender and juicer from suppliers we specify. All technology devices, apps and services that you purchase or lease and use must also comply with our requirements, which may include specific items from specific suppliers. We provide specifications for other equipment, including under-the-counter refrigerator, ice-maker and freezer, which you may purchase from any supplier.

You may buy perishables from local suppliers you select. However, we specify your suppliers of milk and fruit (to maintain our uniform quality and taste).

We do not require you to use delivery platforms and services (such as Grubhub, Uber Eats, Door-Dash or Postmates). However, if you do, the services and suppliers you use must comply with our requirements.

We estimate that approximately 15% to 20% of your expenditures for leases and purchases in establishing your Kung Fu Tea shop and 25% to 35% of your expenditures in operating the shop on an ongoing basis will be for goods and services that are subject to sourcing restrictions, meaning goods and services that must be from a designated or approved supplier or otherwise meet our standards or specifications.

You may not install on or about your Kung Fu Tea shop any fixtures, furnishings, equipment, decor items, signs or other items without our written consent or that do not meet our standards and specifications.

We will provide you with our manuals, style guides and various supplemental bulletins and notices that will contain the specifications, standards and restrictions on your purchase of products and services, and a list of designated and approved suppliers.

None of our officers owns an interest in any supplier other than our affiliate Arms Global Inc.

Item 20

**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1  
Systemwide Outlet Summary  
For Years 2022 to 2024**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2022	284	338	+54
	2023	338	377	+39
	2024	377	386 <del>5</del>	+9 <del>8</del>
Company-Owned	2022	2	2	0
	2023	2	2	0
	2024	2 <del>0</del>	2 <del>0</del>	0
Total Outlets	2022	286	340	+54
	2023	340	379	+39
	2024	379	388 <del>7</del>	+9 <del>8</del>

**Table No. 2  
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)  
For Years 2022 to 2024**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
CA	2022	2
	2023	0
	2024	1
FL	2022	0
	2023	1
	2024	1
GA	2022	1
	2023	0
	2024	1
IL	2022	0
	2023	0
	2024	1
LA	2022	0
	2023	1
	2024	0
MD	2022	0
	2023	1
	2024	2
MI	2022	1
	2023	0
	2024	1

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
NJ	2022	0
	2023	0
	2024	1
NY	2022	1
	2023	2
	2024	3
NC	2022	0
	2023	0
	2024	1
OR	2022	0
	2023	1
	2024	04
PA	2022	0
	2023	1
	2024	0
SC	2022	0
	2023	0
	2024	1
TX	2022	4
	2023	6
	2024	7
UT	2022	0
	2023	1
	2024	0
VA	2022	2
	2023	0
	2024	5
Total	2022	11
	2023	147
	2024	25

**Table No. 3  
Status of Franchised Outlets  
For Years 2022 to 2024**

<b>State</b>	<b>Year</b>	<b>Outlets at Start of Year</b>	<b>Outlets Opened</b>	<b>Terminations</b>	<b>Nonrenewals</b>	<b>Reacquired by Franchisor</b>	<b>Ceased Operations – Other Reasons</b>	<b>Outlets at End of the Year</b>
AL	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	1	0	0	0	1	3
AZ	2022	1	0	1	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	04	0	0	0	0	04

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Nonrenewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
AR	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
CA	2022	19	7	0	0	0	0	26
	2023	26	4	0	0	0	4	26
	2024	26	1	0	0	0	3	24
CO	2022	8	3	0	0	0	0	11
	2023	11	3	0	0	0	0	14
	2024	14	2	0	0	0	0	16
CT	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	1	0	0	0	0	3
DE	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
DC	2022	2	0	1	0	0	0	1
	2023	1	2	0	0	0	1	2
	2024	2	0	0	0	0	0	2
FL	2022	12	4	0	0	0	0	16
	2023	16	2	0	0	0	1	17
	2024	17	2	0	0	0	2	17
GA	2022	11	2	0	0	0	0	13
	2023	13	2	0	0	0	0	15
	2024	15	1	0	0	0	2	14
IL	2022	6	0	0	0	0	0	6
	2023	6	5	0	0	0	0	11
	2024	11	3	0	0	0	0	14
IN	2022	3	3	0	0	0	0	6
	2023	6	2	0	0	0	0	8
	2024	8	0	0	0	0	1	7
IA	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
KS	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
	2024	4	0	0	0	0	0	4
KY	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	1	1
LA	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	1	0	0	0	0	5
ME	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Nonrenewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
MD	2022	16	3	0	0	0	0	19
	2023	19	4	0	0	0	3	20
	2024	20	1	0	0	0	0	21
MA	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	0	13
	2024	13	0	0	0	0	0	13
MI	2022	8	3	1	0	0	0	10
	2023	10	1	0	0	0	0	11
	2024	11	0	0	0	0	0	11
MN	2022	4	1	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
MS	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
MO	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	1	1
	2024	1	0	0	0	0	0	1
NE	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	34	0	0	0	0	0	34
NV	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	1	3
	2024	3	0	0	0	0	0	3
NH	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
NJ	2022	14	5	0	0	0	0	19
	2023	19	5	0	0	0	0	24
	2024	243	20	0	0	0	20	243
NM	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
NY	2022	35	4	0	0	0	0	39
	2023	39	5	0	0	0	3	41
	2024	41	5	0	0	0	2	44
NC	2022	6	1	0	0	0	0	7
	2023	7	2	0	0	0	0	9
	2024	9	1	0	0	0	1	9
OH	2022	9	1	1	0	0	0	9
	2023	9	0	0	0	0	0	9
	2024	9	3	0	0	0	1	11
OK	2022	3	0	1	0	0	0	2
	2023	2	0	0	0	0	1	1
	2024	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Nonrenewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
OR	2022	2	1	0	0	0	0	3
	2023	3	1	0	0	0	0	4
	2024	4	0	0	0	0	1	3
PA	2022	17	5	0	0	0	0	22
	2023	22	2	0	0	0	1	23
	2024	23	<del>32</del>	0	0	0	2	<del>243</del>
RI	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
SC	2022	2	1	0	0	0	0	3
	2023	3	2	0	0	0	0	5
	2024	5	0	0	0	0	0	5
TN	2022	2	0	0	0	0	0	2
	2023	2	2	0	0	0	0	4
	2024	4	1	0	0	0	0	5
TX	2022	<del>389</del>	4	3	0	0	0	<del>3940</del>
	2023	<del>3940</del>	7	0	0	0	1	<del>456</del>
	2024	45	2	0	0	0	4	43
UT	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	1	0	0	0	0	4
VA	2022	23	9	0	0	0	0	32
	2023	32	2	0	0	0	1	33
	2024	33	1	0	0	0	4	30
WA	2022	4	1	1	0	0	0	4
	2023	4	0	2	0	0	0	2
	2024	2	2	0	0	0	1	3
WI	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
WY	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Total	2022	<del>2845</del>	63	<del>29</del>	0	0	<del>70</del>	<del>3389</del>
	2023	<del>3389</del>	59	2	0	0	18	<del>3778</del>
	2024	377	<del>376</del>	0	0	0	28	<del>3865</del>

EXHIBIT A

STATE ADMINISTRATORS  
AND  
AGENTS FOR SERVICE OF PROCESS

<i>State</i>	<i>State Administrator</i>	<i>Agent for Service of Process</i>
California	<p>California Department of Financial Protection &amp; Innovation  <a href="#">651 Bannon Street, Suite 3002101-Arena-Boulevard</a>                      Sacramento, CA 95834                      916-327-7585; 866-275-2677</p> <p>One Sansome Street, #600                      San Francisco, CA 94104-4428                      415-972-8565                      866-275-2677</p> <p>300 S. Spring Street, Suite 15513                      Los Angeles, CA 90013-1259                      213-897-2085; 866-275-2677</p> <p>320 West 4th Street, Suite 750                      Los Angeles, CA 90013-2344                      213-576-7500; 866-275-2677</p> <p>1455 Frazee Road, Suite 315                      San Diego, CA 92108                      619-610-2093; 866-275-2677</p>	California Commissioner of Financial Protection & Innovation
Connecticut	<p>Connecticut Department of Banking                      Securities and Business Investments Division                      260 Constitution Plaza                      Hartford, CT 06103-1800                      860-240-8109</p>	Banking Commissioner
Hawaii	<p>Business Registration Division                      Securities Compliance                      Department of Commerce and Consumer Affairs                      335 Merchant Street, Room 203                      Honolulu, HI 96813                      808-586-2722</p>	Commissioner of Securities
Illinois	<p>Illinois Attorney General                      Franchise Bureau                      500 S. Second Street                      Springfield, IL 62706                      217-782-4465</p>	Attorney General

<b>State</b>	<b>State Administrator</b>	<b>Agent for Service of Process</b>
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor Richmond, VA 23219 804-371-9051	Clerk, State Corporation Commission 1300 E. Main Street, 1 <sup>st</sup> Floor Richmond, VA 23219 804-371-9733
Washington	Department of Financial Institutions Securities Division <del>PO Box 41200</del> <del>150 Israel Road SW</del> <del>Olympia</del> <del>Tumwater</del> , WA 98504-1200 360-902-8760	<u>Securities Administrator</u> Director of Financial Institutions <u>Securities Division</u> <u>150 Israel Road SW</u> <u>Tumwater, WA 98501</u>
Wisconsin	Wisconsin Division of Securities Department of Financial Institutions P.O. Box 1768 Madison, WI 53701 608-266-8557	Administrator Division of Securities Department of Financial Institutions

<b>State</b>	<b>Franchisee Name</b>	<b>Contact Name</b>	<b>Shop Address</b>	<b>Phone</b>
CO	KCC Restaurant Consulting LLC	Kelly Chuong	7489 Academy Blvd. N Colorado Springs, CO 80920	720-638-3470
CO	Denver Boba LLC	Lian Yu	6365 E Hampden Ave., #102 Denver, CO 80222	720-588-8888
CO	Denver Boba 2 LLC	Lian Yu	8302 E Northfield Boulevard, Unit 1580 Denver, CO 80238	720-370-9999
CO	Rolling Hill Tea Inc	Kelly Chuong	13571 Grant Street, Denver, CO 80241	720-281-8580
CO	Yu & Associates Inc.	Sung-Hsing Yu	2608 S. Timberline Rd Ste 102 Fort Collins, CO 80525	720-688-8885
CO	KT Tea LLC	Kelly Chuong	9559 S University Blvd. Unit 107 Highland Ranch, CO 80126	720-638-3470
CO	MMK Mix LLC	Minh Nhan	8555 W Belleview Ave. Suite G21 Littleton, CO 80123	510-334-1900
CO	TeaLC, LLC	Kelly Choung	7740 West Alameda Ave Unit D Lakewood, CO 80226	720-638-3470
CO	Longmont Tea Inc	Kelly Choung	1232 S Hover Street C-300 Longmont, CO	720-638-3470
CO	Parker Tea, LLC	Kiki Chuong	11465 S. Parker Rd Ste 10 Parker City, CO 80134	720-235-7670
CO	TWT LLC	Yinung Brazas	1565 W. U.S. Highway 50 Unit E Pueblo, CO 81008	719-924-8825
CT	Shangwention LLC	<del>Fan</del> Aaron Wu	37 Church Street New Haven, CT 06510	718-631-0011
CT	Bubble Rush LLC	Sang Min Lee	87 Evergreen Way South Windsor, CT 06074	860-490-3052
CT	Boba Boba LLC	Anh Le	5 South Main Street West Hartford, CT 06107	860-216-2023
DC	QSR Investment Trust Inc**	Zong Chen	625 H Street NW Washington, DC 20001	410-818-0168
DC	Jung&Jung One Inc	Yunhee (Sarah) Jung	5439 Macarthur Blvd NW Washington D.C. 20016	202-600-7200
DE	PA Bubble Tea Inc.**	Cheng Hao Gao	93 E. Main Street Newark, DE 19711	856-979-3106

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FL	Devab Group LLC	Rebecca Devab	481 NE 20th Street Boca Raton, FL 33431	508-648-7262
FL	Van Tho Phat Company	Thoa N. Nguyen, Si Van Le	5645 N Atlantic Avenue, Unit 104 Cocoa Beach, FL 32931	321-599-6789
FL	Dang Tea 2 Co LLC	Christopher Dang	2236 N University Drive Coral Springs, FL 33071	954-909-4238
FL	Dang Tea Co LLC	Christopher Dang	6819 Sterling Road Davie, FL 33314	954-909-4238
FL	Love Tea Milk LLC	Zhi Zong Wu	701 N. Federal Highway, Retail Bay 6 Fort Lauderdale, FL 33304	954-999-7701
FL	Boba Tea LLC	Chi Nguyen	9390 Ben C. Pratt Six Mile Cypress Parkway, Unit 3 Fort Myers, FL 33966	239-362-3207
FL	Kung Fu Tea Gainesville LLC**	Ren Liu	3102 SW 34th Street Gainesville, FL 32608	813-971-0099
FL	Sweet Sugar Inc.	WeiWei Lian	12630 Beach Blvd., #1 Jacksonville, FL 32246	505-400-5520
FL	H & R LL, Inc.**	Ren Liu	7717 Ulmerton Rd. Largo, FL 99771	813-451-1692
FL	BWR Enterprises LLC	Masud Rhaman	12098 Collegiate Way, Orlando, FL 32817	407-286-2055
FL	H & R LL, Inc.**	Ren Liu	7688 49 <sup>th</sup> St. N Pinellas Park, FL 33781	813-971-0099
FL	VN Tea Port Charlotte LLC	Vang Tran	24123 Peachland Boulevard, Unit C9 Port Charlotte, FL 33954	941-249-4803
FL	H & R LL, Inc.**	Ren Liu	5914 Providence Rd Riverview, FL 33578	813-971-0099
FL	H & R LL, Inc.**	Ren Liu	8404 Lockwood Ridge Rd Sarasota, FL 34243	813-971-0099
FL	H&R LL, Inc.**	Ren Liu	401 S Dale Mabry Hwy, Tampa, FL 33609	813-971-0099
<del>FL</del>	<del>Thien Hao LLC</del>	<del>Thanh Thi My Tran</del>	<del>3021 W Waters Ave Tampa, FL 33614</del>	<del>727-303-1839</del>
FL	H & R LL, Inc.**	Ren Liu	1832 Bruce B Downs Blvd. Wesley Chapel, FL 33577	813-971-0099
FL	LuVile LLC	Tuan Le	4587 Okeechobee Blvd., Unit 131 West Palm Beach, FL 33417	248-990-5984

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IN	J & J Boba LLC	Phu Tran	10895 N. Michigan Road, Suite 130 Zionsville, IN 46077	317-344-3002
IA	Lexi's LLC	Kerry Nguyen	324 W. 25 <sup>th</sup> Street Sioux Falls, IA 51104	712-212-2753
KS	Kare Pharmacy of Lansing LLC	Karishma Khandelwal	2500 S. 4 <sup>th</sup> Street, Leavenworth, KS 66048	913-369-4230
KS	Day One Tea LLC	Daewun Sin	Rosana Square 7504 W 119th St. Overland Park, KS 66213	913-283-9207
KS	Lenguyen, LLC	Duy Nguyen	2021 N. Amidon Avenue Suite 140 Wichita, KS 67203	940-882-3537
KS	Lenguyen, LLC	Duy Nguyen	1625 S. Rock Rd, Suite 129 Wichita, KS 62707	940-882-3537
KY	Tran Group, LLC	Duy Tran	5000 Shelbyville Rd Hurstbourne, KY 40207	502-294-6241
LA	<del>Jovi's Bubble Tea LLC</del> <del>Sweat Tea BR LLC</del>	<del>Hung Le</del>	7584-B Bluebonnet Boule- vard Baton Rouge, LA 70809	225-228-2789
LA	Triple Tea LLC	Timothy Sith	5511 Airline Drive Bossier City, LA 71111	318-987-1956
LA	MMKLAI LLC	Ann Tran	71178 Highway 21, Suite 200 Covington, LA 70433	985-276-4227
LA	Teavolution LLC	Michael Nguyen	2829 Johnston Street Lafayette, LA 70506	337-230-6109
LA	Southern Tea House Inc.	Lucas (Hung) Le	3348 W. Esplanade Ave S Suite C Metairie, LA 70002	504-900-1717
MD	C & Guo Inc.	Liquen Chen	3113 St. Paul Street Baltimore, MD 21218	443-630-2213
MD	Beverage Pro Inc.	Fanny Shen	7101 Democracy Blvd, Unit 9210 Bethesda, MD 20817	301-767-0200
MD	Hibachi Express Inc.	Peter Zhang & Lauren Chang	22705 Clarksburg Road Unit #868 Clarksburg, MD 20871	240-307-3240
MD	Bubble Lounge LLC	Cuong N. Nguyen	7313-I Baltimore Avenue College Park, MD 20740	240-423-7672
MD	QSR Investment Trust Inc.**	Zong Cai Chen	10100 Twin Rivers Road C-117 Columbia, MD 21044	410-818-0168

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ME	Sethinka LLC	Sokunthea Sy Chan	948 Forest Ave Portland, ME 04103	207-838-5505
MA	HKS Tea LLC**	David Tang	1 Brighton Ave Allston, MA 02134	617-783-3388
MA	Kung Fu Tea, Inc**	David Tang	131 Harvard Ave. Allston, MA 02134	617-783-3388
MA	KF Tea Boston Chinatown LLC**	David Tang	66 Kneeland St. Boston, MA 02111	617-542-8838
MA	KF Tea Symphony LLC**	David Tang	334 Massachusetts Ave. Boston, MA 02115	617-936-3608
MA	Kung Fu Tea SSP Inc.**	David Tang	250 Granite St. Braintree, MA 02184	781-848-1988
MA	Kung Fu Tea Cleveland Circle LLC**	David Tang	1916 Beacon St. Brighton, MA 10940	845-467-4811
MA	1160 Mass Ave Inc.**	David Tang	1160 Massachusetts Avenue Cambridge, MA 02138	617-783-3388
MA	43 Merrimack St. Inc.**	David Tang	43 Merrimack Street Lowell, MA 01852	646-220-9991
MA	KF Tea Malden LLC**	David Tang	3 Pleasant Street Malden, MA 02148	781-321-1898
MA	DKY Tea NM Inc.**	David Tang	1245 Worcester St., Unit 6522 Natick, MA 01760	508-433-6898
MA	1 Beale St LLC**	David Tang	1 Beale Street Quincy, MA 02170	646-220-9991
MA	Kung Fu Tea Davis Square LLC**	David Tang	237 Elm St. Somerville, MA 02144	617-616-5428
MA	Moody St Tea House Inc**	David Tang	246 Moody St Waltham, MA 02453	646-220-9991
	<del>Sunthang LLC</del>	<del>Esther Thian Rem Khim</del>	<del>5301 S. Division Ave., Suite C Grand Rapids, MI 49548</del>	<del>517-703-6800</del>
MI	Me and Tea LLC	Hannah Nguyen	30754 Telegraph Road Bingham Farms, MI 48025	586-663-6035
MI	Bubble De Light Inc.	Praveen K. Moova	#45470 Ford Road Canton, MI 48187	734-233-4168
MI	Hayder Yasir Boba, LLC	Hayder Jamal & Yasir Altamimi	22001 Michigan Ave Suite 150 Dearborn, MI 48124	313-799-0434
MI	Tea Lab Inc	Rainie Chen	2929 Hannah Blvd. Suite 2 East Lansing, MI 48823	517-898-7312

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NV	Boba Society LLC	Dominique Chang	5030 Spring Mountain Rd, #8 Las Vegas, NV 89146	702-776-7077
NV	Eastern Tea House LLC	Sammy Son	7335 S. Rainbow Blvd Las Vegas, NV 89113	702-522-9555
NH	Infinitea LLC	Peter Cuong	655 South Willow St Manchester, NH 03103	229-309-9538
NH	Infinitea Nashua, LLC	Cuong Trinh and Duy Nguyen	493 Amherst Street Nashua, NH 03063	229-309-9538
NH	Boba Brothers LLC	Christopher Hui	99 Rockingham Park Boulevard Salem, NH 03079	603-339-4082
NJ	QSR Investment Trust Inc **	Zong Cheng	86 Ridgedale Ave. Cedar Knolls, NJ 07927	410-818-0168
NJ	PA Bubble Tea Inc**	Cheng Hao Gao	1445-1491 Brace Road Cherry Hill, NJ 08034	917-226-2661
NJ	Cherry Hill Bubble Tea Inc.**	Cheng Hao Gao	826 Haddonfield Rd. Cherry Hill, NJ 08002	917-226-2661
NJ	PA Bubble Tea Inc**	Cheng Hao Gao	195 Route 130 Cinnaminson, NJ 08077	917-266-2661
NJ	Dream Tea LLC	Xiu Ying Zhang	1 American Dream Way East Rutherford, NJ 07073	410-669-2366
NJ	MCTea LLC	Jackie Lee	2151 Lemoine Ave. Fort Lee, NJ 07024	201-461-0398
NJ	Tea Talk LLC	Ngan Vuong	220 Rowan Blvd Glassboro, NJ 08028	856-689-3560
NJ	ZW Group One Inc	Yangyang Wang	Hazlet, NJ	347-345-8646
NJ	Hello China, Inc.	Kui Sun	536 Washington Street Hoboken, NJ 07030	201-222-9091
NJ	PA Bubble Tea Inc**	Cheng Hao Gao	3320 US-1, Space #K132 Lawrenceville, NJ 08648	732-696-2387
NJ	Jenny's Tea Café LLC	Jenny Yu	340 Millburn Ave. Millburn, NJ 07041	973-467-8833
NJ	Bubleetea Corporation	Winnie Yee	375 Bloomfield Ave Montclair, NJ 07040	973-744-1647
NJ	PA Bubble Tea Inc.**	Cheng Hao Gao	12 Route 9 North, Unit A5 Morganville, NJ 07751	732-696-2387
NJ	AADLM Corporation	Cindy Perez	71 Halsey Street, Newark, NJ 07102	347-407-0834
NJ	All Winner Inc.	Stanley Huang	One Garden State Plaza #9152 Paramus, NJ 07652	917-593-3932
NJ	PA Bubble Tea Inc**	Cheng Hao Gao	10 Schalks Crossing, Plainsboro Township, NJ	917-226-2661

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NJ	Family Tea LLC	Tao Zhi	700 E Black Horse Pike #40 Pleasantville, NJ 08232	609-377-5318
NJ	Noodle House Inc.	Lisa Yeung	80 Nassau Street Princeton, NJ 08542	609-688-0108
NJ	472 Riveredge, LLC	Hongbeom Kim	472 Kinderkamack Road River Edge, NJ 07661	201-483-6333
NJ	Summit Tea Cafe, LLC	Jenny Yiu	88 Summit Avenue Summit, NJ 07901	908-263-7489
NJ	PA Bubble Tea Inc**	Cheng Hao Gao	3501 Route 42 Turnersville, NJ 08012	917-226-2661
NJ	MB 86 Foods LLC	Mark Bautista	1047 Stuyvesant Avenue Union, NJ 07083	908-416-4380
<del>NJ</del>	<del>KB Boba LLC</del>	<del>Bingquan Li</del>	<del>4900 Bergenline Ave Suite 5 Union City, NJ 07087</del>	<del>267-230-3531</del>
NJ	PA Bubble Tea Inc**	Cheng Hao Gao	700 Haddonfield-Berlin Road Voorhees Township, NJ 08043	917-226-2661
NJ	Joy Hot Inc.	Jingjing Chen & Hau Yeung	1400 Willowbrook Mall Wayne, NJ 07470	929-323-6736
NM	Bobamochi LLC	Ronald Scott	4410 Wyoming Boulevard NE, Suite H Albuquerque, NM 87111	505-721-6975
NM	Ko Boba Tea, LLC	How Chi Ko	5600 Coors Blvd., Suite B-4 Albuquerque, NM 87120	505-301-1042
<del>NM</del>	<del>Ko Bubble LLC</del>	<del>Shao Ping Ke</del>	<del>1912 Wellspring Ave SE Rio Rancho, NM 87124</del>	<del>505-301-8680</del>
NY	ELT Group LLC	Edward Leong	30-10 34th Street Astoria, NY 11103	917-714-1810
NY	KuFuTea Bell LLC	Kun Jin	42-21 Bell Blvd. Bayside, NY 11361	516-395-5377
NY	Zafe Café LLC	Cirilo Cortes	302 W. 231 <sup>st</sup> Street Bronx, NY 10963	917-288-8995
NY	DKS Tea LLC	David Chan	40 Hoyt Street Brooklyn, NY 11201	347-294-0232
NY	H & E Wu Enterprise Inc.	Xin (Simon) Wu	76 5 <sup>th</sup> Avenue Brooklyn, NY 11217	917-306-8191
NY	PA Bubble Tea Inc.**	Cheng Hao Gao	806 55 <sup>th</sup> Street Brooklyn, NY 11220	347-839-5969
NY	KFT Ave U Inc.	David Cheng	1422 Avenue U, Store #2 Brooklyn, NY 11229	718-819-9079

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NY	Tawakul Acquisitions Inc	Amer Qawawmi	579 North Avenue New Rochelle, NY 10801	914-740-3768
NY	Best Tea NYC Inc	Fanny Sung	27 Waverly Place, Unit #5 New York, NY 10003	646-338-3360
NY	SKY Tea Inc	Delong Chang	42 West 38th Street New York, NY 10018	347-977-7748
NY	Tea Two Tea LLC	Kevin Wang	73 Chrystie Street, 1 <sup>st</sup> Floor New York, NY 10002	646-288-4936
NY	Amber 32 NY Inc.	Tommy Ko	11 West 32 <sup>nd</sup> St, Stall #9 New York, NY 10001	212-695-5888
NY	Two Zero Two Ventures Inc.	Tina Lai	1219 1 <sup>st</sup> Ave New York, NY 10065	917-710-8353
NY	<del>Canal Tea Station Inc. Big Thumb Inc.</del>	Qiao Wei Huang	234 Canal Street, Suite #107 New York, NY 10013	646-267-7070
NY	P & C Poke Station Inc.	Hui Qin Chen	4053 Broadway New York, NY 10032	646-861-8888
NY	SI Tea Inc	Xu Y. Zhang	3845 Richmond Avenue Staten Island, NY 10312	917-669-2366
NY	Stony Brook Wang Inc.	Brian Wong	1009 North Country Road Stony Brook, NY 11790	917-414-8569
NY	NS Tea Inc	Neha Sabharwal	408 Jericho Turnpike, Syosset, NY 11791	516-226-3833
NY	Carousel Tea House Inc.	Bin Chen	306 Hiawatha Blvd West, J209 Syracuse, NY 13204	917-868-8032
NY	Mike & I, LLC	Kevin Pham	520 Lee Entrance, Suite 111 West Amherst, NY 14228	716-276-8402
NY	Tea Horse Road Capital, LLC	Tao Luo	Suite Z215, Palisades Center 1000 Palisades Center Drive West Nyack, NY 10994	646-957-1040
NY	Kai Bubble Tea White Plains Inc	Kaicheng Cao	184 Martine Avenue White Plains, NY 10601	914-826-2651
NY	Bubble Tea Inc.	Johnny Chen	434 Hillside Ave Williston Park, NY 11596	718-208-8889
NC	Abshake Associates LLC	Faaria Abbasi	966 High House Rd., Suite #124 Cary, NC 27513	984-292-9502
NC	Myoung & Lee Inc	Jewel Myoung	1961 High House Road Cary, NC 27519	984-327-9726

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PA	Philly Bubble Tea Inc.**	Chen Hao Gao	1006 Arch Street Philadelphia, PA 19107	267-758-2871
PA	PA Bubble Tea Inc.**	Cheng Hao Gao	2000 Hamilton Street Suite #107 Philadelphia, PA 19130	917-226-2661
PA	BNC Food LLC	Zeng Xing Li	2222 Cottman Avenue Philadelphia PA 19149	917-291-6859
PA	PA Bubble Tea Inc.**	Cheng Hao Gao	2453 Grant Avenue Philadelphia, PA 19114	917-226-2661
PA	PA Bubble Tea Inc.**	Cheng Hao Gao	3175 John F. Kennedy Blvd. Philadelphia, PA 19104	917-226-2661
PA	PA Bubble Tea Inc.**	Cheng Hao Gao	4500 City Line Avenue Philadelphia, PA 19131	917-226-2661
PA	PA Bubble Tea Inc**	Cheng Hao Gao	238 Bridge St Phoenixville, PA 19460	917-226-2661
PA	Chen Chen Inc.	Zhong Chen	2109 Murray Ave. Pittsburgh, PA 15217	419-709-6189
PA	York Bubble Tea Inc	Ting Pun	2035 Springwood Road York, PA 17403	717-668-8337
RI	JJoon Investments, Inc.	Min Cheung	110 Waterman Street Providence, RI 02906	401-861-1888
SC	Dan Nguyen Enterprises LLC	Bach Mai Thuy Dam	1852 SC-160 Fort Mill, SC 29708	803-547-3254
SC	H&Q Downtown Greenville <a href="#">LLC</a>	Huy Do & Guynh Lai	233 N. Main Street Suite 11 Greenville, SC 29601	864-906-3259
SC	VP Brothers LLC	Vinh Dang	605 Haywood Road Greenville, SC 29607	864-906-3259
SC	KHJ Group Inc.	Wei Zhu	95 Mathew Drive Suite 1A Hilton Head, SC 29926	843-422-2509
SC	Bteafull LLC	Weiqang Zheng	201-A Fresh Drive Myrtle Beach, SC 29579	843-236-2888
TN	Cha4289, LLC	Nussasi Numpituckchaikul	50 Frazier Ave, Suite 200 Chattanooga, TN 37405	423-645-3263
TN	RAAMMAAN LLC	Vipulkumar B Patel	1915 Long Hollow Pike Suite A5 Gallatin, TN 37066	615-206-8725
TN	Gogi Grill Inc.	Liang Ying Lin	8851 Town and Country Cir. Knoxville, TN 37922	404-453-4168
TN	Vanny&Bunna Bubble Tea LLC	Vanny Chea	2441 Old Fort Parkway Murfreesboro, TN 37128	615-617-3001

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TX	Delimanjoo Memorial LLC	Amy Lou	1005 Blalock Rd, Unit G Houston, TX 77055	713-972-2622
TX	Unlimited Rising Peak LLC	Dean (Wenpo) Chou	1275 Eldridge Parkway Suite 195 Houston, TX 77077	832-932-5266
TX	Evergreen Rising Peak LLC	Dean Chou	3201 Louisiana Street, #106 Houston, TX 7706	281-323-1899
TX	FF Brothers Management Inc.	Leo Xia	3645 FM 1960, Suite #238 Houston, TX 77014	713-732-1185
TX	United Rising Peak LLC	Dean Chou	9889 Bellaire Blvd., #222 Houston, TX 77036	832-831-9288
TX	Houston Authentic Group LLC	Dean Chou	6415 San Felipe St., R-1 Houston, TX 77057	281-323-1899
TX	Somnang & Kim LLC	Somnang Tan	6730 Atascocita Road Humble, TX 77346	909-991-6995
TX	Larry Nguyen, LLC	Larry Nguyen	501 South Mason Road Katy, TX 77450	281-206-7339
TX	HieuTea LLC	Hieu Luc	1220 N. Midkiff Rd., Ste. G Midland, TX 79701	580-917-0983
<del>TX</del>	<del>Aviano Bubble Tea LLC</del>	<del>Kevin Chou</del>	<del>5822 Sienna Parkway #800 Missouri City, TX 77459</del>	<del>832-362-0912</del>
TX	Boba Boys LLC	Kevin Nguyen	160 E. FM 544, Suite 90 Murphy, TX 75094	469-298-0981
TX	BLTea LLC	Bailey Tran	2828 Highway 365, Suite #700 Nederland, TX 77627	409-549-2770
TX	Fruitful Life LLC	Nguyen Nguyen	22118 Market Place Drive Suite #600 New Caney, TX 77357	469-212-2103
TX	Dat Tea Shop LLC	Trung Thanh Dang	11200 Broadway St. Suite 1370 Pearland, TX 77584	346-888-7803
TX	888 Icon Tea Corporation	Toby Kwong	2001 Coit Road Plano, TX 75075	214-501-3458
TX	IQBAL Family LNZ LLC	Riaz Iqbal	1151 S. Preston Road Suite 20 Prosper, TX 75078	214-493-6754
TX	The Icon Tea Corporation	Toby Kwong	2067 N Central Expressway, Suite 100 Richardson, TX 75080	972-907-1578
TX	PJL & WIZ LLC	Kam Lee	11020 Harlem Rd, #200 Richmond, TX 77406	660-234-4096

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TX	Sreynet Tea Remedy LLC	Sreynet Ath	18130 US Highway 281 North, Suite 105 San Antonio, TX 78232	210-760-8879
TX	Commercial Construction Consulting Inc.	Oliver Nguyen	2314 SE Military Drive, Suite 109 San Antonio, TX 78223	210-239-5333
TX	NHEK LLC	Rattana Nhek	5231 Broadway St Suite 101 San Antonio, TX 78209	210-455-0092
TX	PTNN LLC	Oliver Nguyen	7211 Green Glen Drive San Antonio, TX 78255	210-239-5333
TX	OM 1 Inc	Prakashkumar Patel	2175 E Southlake Blvd, Suite #130 South Lake, TX 76092	682-477-4224
TX	Bubble 888 LLC	Dean Chou	13509 University Blvd. #A300 Sugar Land, TX 77479	281-323-1899
TX	RoyalGroupMP Investment LLC	Sophoat Kem	3510 Palmer Highway, Texas City, TX 77590	938-253-4259
TX	Queen F LLC	Yue Jiang	3091 College Park Dr. Suite #180 The Woodlands, TX 77384	979-864-7103
TX	Chen Wealth Rakki LLC	Stephy Ting Chen	3126 Pat Booker Road, Ste 108 Universal City, TX 78148	210-592-8539
TX	GK1 LLC	Mayank Grover	304 Bay Area Blvd., #200 Webster, TX 77598	832-941-6145
UT	Rainbow Tea LLC	Pornthip Impunchai	121 East 12300 South Draper, UT 84020	801-637-6374
UT	Thien Vu Inc	Vu Pham	464 S 600 E., Suite A Salt Lake City, UT 84102	385-253-0340
UT	Thai Utah LLC*	Chanissara Lertsuttakarn	600 Mill Road Vineyard, UT 84509	646-833-9388
UT	PKK Tea LLC	Pornthip Impunchai	9000 South 1391 West West Jordan, UT 84088	801-637-6374
VA	PK Tea LLC	Veasna (Wes) Ky	6328 Richmond Highway Alexandria, VA 22306	571-371-8075
VA	Jam Piety LLC	Samuel Huang	7895 Heritage Drive Annandale, VA 22003	586-883-3802
VA	Oming, Inc.	Min A. Oh	3018 Wilson Boulevard Arlington, VA 22201	703-528-1686
<a href="#">VA</a>	<a href="#">Dumpling District Arlington Inc.</a>	<a href="#">Zong Chen</a>	<a href="#">1100 S. Hayes St, Apt 1116 Arlington, VA 22202</a>	<a href="#">410-818-0168</a>

<b>State</b>	<b>Franchisee Name</b>	<b>Contact Name</b>	<b>Shop Address</b>	<b>Phone</b>
			Reston, VA 20191	
VA	Y&L Bros LLC	Tomi Liu	946 West Grace St. Richmond, VA 23220	646-508-0294
VA	SPK Group LLC	Wes Ky	7000 Brookfield Plaza, Unit E Springfield, VA 22150	703-663-8661
VA	Food Central LLC	Muhammad Abdel Aziz	1475 Stafford Market Place Suite 3 Stafford, VA 22556	571-527-6532
VA	H&Z LLC	Amir Oden	24630 Dulles Landing Drive Sterling, VA 20166	703-891-1305
VA	337 Enterprises LLC	Soo Jin Ahn	46950 Community Plaza Unit 104 Sterling, VA 20164	703-462-4045
VA	757 Boba 3 LLC	Michael Gerardo	1045 Independence Boulevard Virginia Beach, VA 23455	757-937-1430
VA	757 Boba LLC	Michael Gerardo	1949 Lynnhaven Pkwy, Unit 113 Virginia Beach, VA 23456	757-937-1430
VA	Newport News Tea Inc.	Lin Felyan	4902 Courthouse St. Williamsburg, VA 23188	757-814-8188
VA	A&R Team LLC	Rosalima D. Dela Rosa	4160 Merchant Plaza Woodbridge, VA 22192	571-344-8900
<del>VA</del>	<del>Dumpling District Arlington Inc.</del>	<del>Zong Chen</del>	<del>1100 S. Hayes Street, Apt. 1116, Arlington, VA 22202</del>	<del>410-818-0168</del>
WA	Clack Holdings LLC	Anna Ayson	17629 108 <sup>th</sup> Avenue SE #027 Renton, WA 98055	206-779-0869
WA	LeO Tea 3 LLC	Oliver Le	910 NE Tenney Road, Suite 125 Vancouver, WA 98684	360-718-2160
WA	LeO Tea LLC	Oliver Le	8109 Vancouver Mall Drive, Suite D Vancouver, WA 98662	360-718-2160
WI	SevenTea LLC	Yushen Chen	449 State St., Unit A Madison, WI 53703	920-254-5193
WY	T Shop LLC	Jing Liu	2032 Dell Range Boulevard, Cheyenne WY 82009	307-286-6628

\*\* Multi-Unit Developer

**EXHIBIT B2**

**FRANCHISES SIGNED BUT NOT OPEN AS OF 12/31/2024**

<b>State</b>	<b>Franchisee Name</b>	<b>Contact Name</b>	<b>Shop Address</b>	<b>Phone</b>
AL	MMLCD-TEA LLC	Nick Bun & Chariya Ty	6215 Tattersall Boulevard, Suite 101 Birmingham, AL 35242	206-734-1259
CA	Boba Blast Inc.	Kevin Maida	16921 E. Avenue O, Palmdale, CA 93591	661-886-1649
CA	SNOW J OCEANSIDE LLC	Snow J. Clark	605 B MISSION AVE, OCEANSIDE CA 92054	760-908-2495
CA	PB 02 Group LLC	Surmeet Sandhu	16722 Golden Valley Parkway, Pad C, Lathrop, California 95330	951-208-5410
FL	Q&L Milk Tea LLC	Zhizhong Wu	11260 Sunview Way Hollywood, FL 33026	786-384-9967
FL	Teatastic Inc.	Dan Zhang	7501 W Colonel Drive Orlando, FL 32818	412-944-9500
FL	Thien Hao LLC	Thanh Thi My Tran	3021 W Waters Ave, Tampa, FL 33614	727-303-1839
MD	Ghezaee Inc.	Ghezaee Hagos	Oxon Hill, MD	240-413-4423
NJ	KB Boba LLC	Bingquan Li	4900 Bergenline Ave Suite 5 Union City, NJ 07087	267-230-3531
NM	Ko Bubble LLC	Shao Ping Ko	1912 Wellspring Ave SE Rio Rancho, NM 87124	505-301-8680
NY	Angel Fish Corp.	Chi Gu Kim	1255 Broadway Brooklyn, NY 11221	917-484-1035
NY	New York Shu Guo Kao Yu Inc.	Ji Zhou	150 W. 49 <sup>th</sup> St. New York, NY 10019	718-559-2188
NY	Wappingers Falls BT LLC	Vincent Phan Truong	1271 US-9 #4, Wappingers Falls, NY 12590	845-705-8573
NC	Pearl Enterprise Trading Inc	Shwu-Huey Zheng	1419 E. Main Street Havelock, NC 28532	805-218-5361
PA	<del>PA Bubble Tea Inc.**</del>	<del>Cheng Hao Gao</del>	<del>650 Carnegie Blvd, Suite M4 Malvern, PA 19355</del>	<del>917-226-2664</del>
SC	Maruti JK Inc	Nishil Patel	250 N Beltline Dr Florence, SC 29501	843-319-7731
SC	Shree Ram 7 LLC	Sweta Patel	4015 Parris Bridge Rd,	864-497-1599

<b>State</b>	<b>Franchisee Name</b>	<b>Contact Name</b>	<b>Shop Address</b>	<b>Phone</b>
			Boiling Springs, SC 29316, USA	
<u>TN</u>	<u>New Leaf Management LLC</u>	<u>Amar Patel</u>	<u>426 Pinnacle Parkway Suite 366, Bristol, TN 37620</u>	<u>571-237-7007</u>
TX	Real Tea SML LLC	Stuti Sapkota	900 South Main Street, Suite 340, Keller, TX 76248	972-987-7547
<u>VA</u>	<u>Jam Piety LLC</u>	<u>Samuel Huang</u>	<u>Fairfax, VA</u>	<u>571-830-6035</u>
WV	Ninja Café LLC	Man Ching Kwow	Morgantown, WV	240-712-8675
<u>VA</u>	<u>Jam Piety LLC</u>	<u>Samuel Huang</u>	<u>Fairfax, VA</u>	<u>571-830-6035</u>
<u>NY</u>	<u>Wappingers Falls BT, LLC</u>	<u>Lei Meng &amp; Vincent Phan-Truong</u>	<u>1271 U.S. 9 unit 4, Wappingers Falls, NY 12590, USA</u>	<u>917-499-3510</u> <u>845-705-8573</u>
<u>TN</u>	<u>New Leaf Management LLC</u>	<u>Amar Patel</u>	<u>426 Pinnacle Parkway Suite 366, Bristol, TN 37620</u>	<u>571-237-7007</u>

\*\* Multi-Unit Developer

**KF TEA FRANCHISING LLC**  
**FRANCHISE DEPOSIT AGREEMENT**

\_\_\_\_\_  
The Applicant's Name(s)

\_\_\_\_\_  
Date Submitted

**Desired Geographic Area:**

1. **Purpose of this Agreement.** This Agreement sets forth the terms and conditions upon which the undersigned applicant (the "Applicant") agrees to make an initial deposit to KF TEA FRANCHISING LLC, a Delaware limited liability company ("KF Tea") as part of the Applicant's application to become a Kung Fu Tea shop franchisee (the "Application").

2. **Franchise Disclosure Document.** KF Tea will not accept any signed franchise deposit agreement or any payment under this agreement or otherwise until at least two calendar weeks shall have passed from the time that the Applicant shall have (i) received a currently effective franchise disclosure document (the "FDD") describing the Kung Fu Tea franchise offering and (ii) delivered to KF Tea a signed and dated acknowledgment of receipt of the FDD in the form that appears on the last page of the FDD.

3. **Desired Geographic Area.** The geographic area in which the Applicant desires to establish a franchised Kung Fu Tea shop is described above (the "Desired Area"). This description merely points to the area within which the parties will focus their consideration of a possible Kung Fu Tea franchise. KF Tea makes no representation or assurance that any site the Applicant finds, whether within or outside of the desired area, will be acceptable to KF Tea or will be a location at which the Applicant is likely to be successful in operating a Franchise. Excluded from the Desired Area is any territory KF Tea shall have granted to any person under a Kung Fu Tea franchise agreement in a non-traditional venue, such as an airport, hotel or resort, military installation, school or university campus, train station, subway station, casino, theme park, sports stadium or enclosed shopping mall.

4. **Deposit.** Together with this Agreement, the Applicant is submitting to KF Tea a deposit in the amount of \$5,000 (the "Deposit"), paid in a manner acceptable to KF Tea.. The purpose of the Deposit is (a) to reserve the Desired Area as the area in which the Applicant will identify and establish a Kung Fu Tea shop and (b) to cover KF Tea's costs in evaluating the Applicant's qualifications and suitability to become a Kung Fu Tea shop franchisee within the Desired Area. In the event that the parties enter into a franchise agreement for a Kung Fu Tea shop (a "Franchise Agreement"), the Deposit will be deemed to be a partial payment of the initial fee under the Franchise Agreement. The Deposit is fully earned when paid and is nonrefundable unless KF Tea rejects the Application for any reason before commencing its evaluation.

5. **No Obligation.** Although the parties agree to evaluate a possible Franchise Agreement in good faith, nothing in this Agreement will be deemed to obligate either party to enter into a Franchise Agreement. The Applicant agrees to submit to KF Tea or its agent as soon as practicable all information and materials reasonably requested by KF Tea or its agent in order to permit KF Tea to evaluate any site proposed by the Applicant, as well as to evaluate the Applicant's qualifications to be a Kung Fu Tea franchisee. KF Tea agrees to submit its approval or disapproval of any proposed site within 30 days after KF Tea receives all such requested information and materials. KF Tea may in its reasonable business judgment disapprove any site proposed by the Applicant.

6. **Term and Termination.** This Agreement will remain in effect for three months unless sooner terminated by either party. The Applicant may terminate this Agreement at any time and for any reason. KF Tea may terminate this Agreement in the course of its evaluation on any basis within KF Tea's reasonable

business judgement. KF Tea is not required to inform the Applicant of its reason or reasons for any rejection of a site or its termination of this Agreement.

7. **Exclusivity.** During the term of this Agreement, KF Tea agrees not to establish or grant rights to any other person or entity for a Kung Fu Tea shop within the desired geographic area described above, except as provided in Section 8 below, and with the exception of except for any territory KF Tea shall have granted or may grant to any person under a Kung Fu Tea franchise agreement for a non-traditional venue within the desired geographic area, such as an airport, hotel or resort, military installation, school or university campus, train station, subway station, casino, theme park, sports stadium or enclosed shopping mall.

8. **Right of First Refusal.** In the event that KF Tea decides to establish a Kung Fu Tea shop at a particular location within in the Desired Area while this agreement is in effect, KF Tea will not offer or grant a franchise to any other person or entity for such location until KF Tea has first offered such location to the Applicant and given the Applicant at least 14 calendar days following the date of such offer to accept such offer by email or otherwise in writing.

9. **The Applicant's Representations.** The Applicant represents that all information submitted by the Applicant as part of the Application is true and correct, and that the financial information submitted as part of the Application fairly reflects applicant's financial position as of the date submitted.

10. **Confidentiality.** During the course of its evaluation of the Application, KF Tea may disclose to the Applicant certain confidential information of KF Tea. The Applicant agrees to maintain the confidentiality of such information and not to disclose any such information to anyone else, nor to use such information in the operation of any business other than a franchised Kung Fu Tea shop, both during and after the evaluation. Upon the request of KF Tea made at any time, the Applicant agrees to deliver to KF Tea or to destroy, as directed by KF Tea, all copies of such information in the Applicant's possession or under its control and to erase all copies of such information held in any electronic format.

11. **Entire Agreement.** This Agreement constitutes the entire understanding of the parties and supersedes any prior oral or written agreements between the parties; provided, however, that nothing in this or any related agreement is intended to disclaim the representations KF Tea made in the latest franchise disclosure document that KF Tea furnished to the Applicant.

12. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of New York, without regard to New York's conflict of laws principles.

KF TEA FRANCHISING LLC

THE APPLICANT

By \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Address

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## MINNESOTA ADDENDUM

### Cover Page and Item 17

**MINNESOTA STATUTES, SECTION 80C.21** AND **MINNESOTA RULE 2860.4400(J)** PROHIBIT US FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA, REQUIRING WAIVER OF A JURY TRIAL, OR REQUIRING THE FRANCHISEE TO CONSENT TO LIQUIDATED DAMAGES, TERMINATION PENALTIES OR JUDGMENT NOTES. IN ADDITION, NOTHING IN THE FRANCHISE DISCLOSURE DOCUMENT OR AGREEMENT(S) CAN ABROGATE OR REDUCE (1) ANY OF YOUR RIGHTS AS PROVIDED FOR IN **MINNESOTA STATUTES, CHAPTER 80C**, OR (2) YOUR RIGHTS TO ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION.

### Item 5 – INITIAL FRANCHISE FEE

The Securities Section of the Minnesota Department of Commerce requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

The franchise deposit agreement will not be used in Minnesota because of this requirement to defer all initial payments.

### Item 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

With respect to franchises governed by Minnesota law, the franchisor will comply with **MINNESOTA STATUTES, SECTION 80C.14, Subds. 3, 4, and 5** which require (except in certain specified cases)

1. -that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and
- 4-2. that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(G). The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J). Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statute ROC 17 Subd. 5.

NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

The Consent to Transfer Agreement and the Renewal Addendum (Exhibits F3 and F4), referred to in Items 17c and 17m, each contains a general release. Minnesota Rule 2860.4400(J) prohibits a franchisor from requiring a franchisee to assent to a general release. A court will determine if a bond is required. Accordingly, this ~~release requirement~~ will not apply in Minnesota.

The agreements you sign give us the right to obtain injunctive relief in certain cases. (Section 7.3 of the Franchise Agreement and Section 4.2 of the Confidentiality and Non-Competition Agreement.) Under Minnesota Rule 2860.4400J, a franchisee cannot consent to the franchisor obtaining injunctive relief. Accordingly, these provisions are understood to mean that we have the right to seek injunctive relief.

The pages that follow constitute additions to the Franchise Agreement and the Consent to Transfer Agreement for Minnesota, and a new renewal addendum.

## NEW YORK ADDENDUM

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR 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 ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party 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.

B. No such party has pending actions other than routine litigation incidental to the business that is significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years 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.

D. No such party 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.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for a franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “Termination by a franchisee”: “You may terminate the agreement on any grounds available by law.”

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum,” and Item 17(w), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

**~~THE STATE OF NEW YORK REQUIRES US TO DISCLOSE THE FOLLOWING INFORMATION:~~**

~~INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR 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 THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY.~~

~~THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. 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 FRANCHISE DISCLOSURE DOCUMENT.~~

### **Item 3 – LITIGATION**

~~— Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:~~

~~A. No such party 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.~~

~~B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.~~

~~C. No such party 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.~~

~~D. No such party 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 injunction 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.~~

### **Item 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

~~— The following is added to the end of the “Summary” sections of Item 17(c) (entitled “Requirements for franchisee to renew or extend”) and 17(m) (entitled “Conditions for franchisor approval of transfer”):~~

~~However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.~~

~~The following language replaces the “Summary” section of Item 17(d) (titled “Termination by franchisee”):~~

~~You may terminate the agreement on any grounds available by law.~~

~~The following is added to the end of the “Summary” sections of Item 17(v) (titled “Choice of Forum”) and 17(w) (titled “Choice of Law”):~~

~~The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.~~

**WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, THE MULTI-UNIT AGREEMENT, AND ALL RELATED AGREEMENTS**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

- 9. Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
- 10. Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
- 11. Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
- 12. Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
- 13. Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
- 14. Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
- 15. Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
- 16. Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- 17. Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).



~~any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

### **Item 3 — LITIGATION**

~~On September 20, 2019, the franchisor voluntarily entered into an agreement with the State of Washington not to include “no poaching” provisions in future franchise agreements and not to enforce no-poaching provisions in its signed franchise agreements. Assurance of Discontinuance (AOD) No. 19-2-24770-3. This AOD was part of the Attorney General’s investigation of the franchise agreements of a number of franchisors in the State of Washington with respect to “no poaching” provisions. The franchisor was one of 237 franchisors that signed similar AODs. “No poaching” provisions had been common in franchise agreements. But in recent years, some economists have concluded that these provisions reduce opportunities for low wage workers and stagnate wages, harming workers. The Washington Attorney General’s office concluded that these provisions were contrary to state’s Consumer Protection Act. The AOD signed by the franchisor acknowledged that the franchisor removed the no poaching provisions from its standard franchise agreement in April 2019, months before the Attorney General’s Office contacted the franchisor, that the franchisor has never sought to enforce the no poaching provisions of any of its franchise agreements, and that the franchisor denied that these provisions constituted a contract in restraint of trade in violation of Washington law. Although the Washington Attorney General’s Office conducted an investigation, no state court action was necessary to activate the AOD.~~

### **Item 5 — INITIAL FRANCHISE FEE**

~~In lieu of an impound of franchise fees, the franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or franchise disclosure document and (b) is open for business. Because the Franchisor has material pre-opening obligations with respect to each franchised business the Franchisee opens under the Multi-Unit Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business.~~

~~The franchise deposit agreement will not be used in Washington because of this requirement to defer all initial payments.~~

### **Item 17 — RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

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

~~RCW 19.100.180 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 or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.~~

~~A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder 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, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.~~

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

~~Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.~~

~~RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.~~

# ~~WASHINGTON ADDENDUM TO THE KUNG FU TEA FRANCHISE AGREEMENT~~

~~between~~

~~KF TEA FRANCHISING LLC~~

~~and~~

~~\_\_\_\_\_ This Addendum modifies and amends the KF Tea Franchise Agreement dated as of \_\_\_\_\_, between KF TEA FRANCHISING LLC and \_\_\_\_\_ (the "Franchise Agreement").~~

~~\_\_\_\_\_ 1. In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the Franchise Agreement or franchise disclosure document, and (b) is open for business.~~

~~\_\_\_\_\_ 2. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.~~

~~\_\_\_\_\_ 3. 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.~~

~~\_\_\_\_\_ 4. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.~~

~~\_\_\_\_\_ 5. 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.~~

~~\_\_\_\_\_ 6. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.~~

~~\_\_\_\_\_ 7. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.~~

~~\_\_\_\_\_ 8. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or~~

~~elsewhere are void and unenforceable in Washington.~~

~~9. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

~~10. In all other respects, the Franchise Agreement is unchanged.~~

~~The parties have signed this Addendum on the dates set forth below with effect as of the date of the Franchise Agreement.~~

KF TEA FRANCHISING LLC \_\_\_\_\_ [Franchisee]

By \_\_\_\_\_ By \_\_\_\_\_

Title \_\_\_\_\_ Title \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_



~~annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.~~

~~8. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.~~

~~9. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

~~10. In all other respects, the Multi-Unit Agreement is unchanged.~~

~~The parties have signed this Addendum on the dates set forth below with effect as of the date of the Multi-Unit Agreement.~~

KF TEA FRANCHISING LLC \_\_\_\_\_ [Developer]

By \_\_\_\_\_ By \_\_\_\_\_

Title \_\_\_\_\_ Title \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_