



FRANCHISE DISCLOSURE DOCUMENT

Five Flavors Franchising LLC
An Illinois Limited Liability Company
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Burr Ridge, IL 60527
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www.rainbowcone.com and
www.rainbowconefranchise.com

Five Flavors Franchising LLC, an Illinois limited liability company, offers you the opportunity to own and operate a franchise that will offer and sell high quality ice cream and related menu items under certain trademarks, trade names, service marks and logos (a “The Original Rainbow Cone Business” or “The Original Rainbow Cone Businesses”) in one of 3 types of settings – a Free standing restaurant location (“Free Standing”), an in-line restaurant location (“In-Line”), or a non-traditional location either within another business or as a separate Express (“Express”).

The total investment necessary to begin operation of a The Original Rainbow Cone Free Standing franchise constructed from ground up ranges from \$2,037,420 to \$3,213,753. This includes \$90,000 to \$120,000 that must be paid to us or our affiliates. The total investment necessary to begin operation of a leased The Original Rainbow Cone Free Standing franchise ranges from \$804,320 to \$1,362,653. This includes \$90,000 to \$120,000 that must be paid to us or our affiliates. The total investment necessary to begin operation of a The Original Rainbow Cone In-Line franchise ranges from \$401,402 to \$811,818. This includes \$64,000 to \$84,000 that must be paid to us or our affiliates. The total investment necessary to begin operation of a The Original Rainbow Cone Express franchise from \$205,167 to \$339,843. This includes \$30,000 to \$40,000 that must be paid to us or our affiliates.

The total investment necessary to later add the Food Truck option is \$137,860 to \$214,066. This includes the \$10,000 that must be paid to us or our affiliates.

The total investment necessary to begin operation as a Developer is the sum of (i) the total investment to begin operations of the first The Original Rainbow Cone Business (described above) and (ii) the Development Fee of a minimum of \$32,000, calculated at \$16,000 times the number of additional franchises to be developed after the first franchise. This includes \$72,000 that must be paid to us or our affiliates.

This Franchise Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English (this “Franchise Disclosure Document”). Read this Franchise Disclosure Document and all accompanying agreements carefully. You must receive this Franchise Disclosure Document at least 14 calendar days before you may sign a binding agreement with, or make any payment to, us or our affiliates in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in Illinois. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may cost more to arbitrate or litigate with the franchisor in Illinois than in your own state.
 2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for your financial obligations under the Franchise Agreement, even if 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. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise with a longer operating history.
 4. ~~**Exclusive Territory.** Depending on the franchise offering you purchase, you will not receive an exclusive territory.~~ **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.

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

Prior Business Experience

We began offering The Original Rainbow Cone restaurant franchises in 2019. We began offering Area Development franchises in 2023. We have never operated a business similar to the type of business you will operate. We have not offered franchises in any other lines of business.

Our affiliate Rainbow Cone LLC has owned and operated businesses similar to the type of business you will operate since 2018. As of the date of this Disclosure Document, our affiliate owns and operates 14 The Original Rainbow Cone businesses and 3 mobile food trucks. Our affiliate has never offered franchises in any line of business.

Our affiliate Chicago's Original Italian Beef Franchising LLC has never operated businesses similar to the type of business you will operate. It has sold franchises for Buona Beef restaurants since 2021, but has not offered franchises for the type of business you will operate or in any other line of business.

ITEM 2 **BUSINESS EXPERIENCE**

Mike Buonavolanto, Manager and Vice President of Real Estate

Mike Buonavolanto has served as one of our Managers and as Vice President of Real Estate in Burr Ridge, Illinois since August 1, 2018. He also has also served as Manager and Vice President of Real Estate of Five Flavors LLC in Burr Ridge, Illinois from May 2018 to the present and Manager of Rainbow Cone LLC in Burr Ridge, Illinois from June 2018 to the present. From October 2014 to the present, he has served as Director of Real Estate for The Buona Companies, L.L.C, in Burr Ridge, Illinois.

Joseph Buonavolanto Jr, Manager

Joseph Buonavolanto Jr. has served as one of our Managers in Burr Ridge, Illinois since August 1, 2018. Mr. Buonavolanto has served as Co-Manager of Chicago's Original Italian Beef Franchising LLC in Burr Ridge, Illinois since its inception in March 2021. He has been Co-Manager of The Buona Companies, L.L.C. and Buona Catering, L.L.C. both in Burr Ridge, Illinois since February 1999. He has been Co-Manager of Buona Beef, LLC in Burr Ridge, Illinois since December 2011 and was Vice President of its predecessor, Buona Beef Inc. in Berwyn, Illinois from December 1985 to December 2011. He has been Co-Manager of J&P Properties, L.L.C. in Burr Ridge, Illinois since May 1996. He has been Co-Manager of Hot Pep LLC in Burr Ridge, Illinois since May 2021. Mr. Buonavolanto has served as Co-Manager of Chicago's Original Italian Beef Franchising LLC in Burr Ridge, Illinois since its inception in March 2021.

Joseph Buonavolanto III, Executive Vice President

Joseph Buonavolanto III has served as our Executive Vice President since January 2024 and served as our Vice President of Franchising from January 2022 to January 2024 in Burr Ridge, Illinois. He has also served as Vice President of Franchising for our affiliate Chicago's Original Italian Beef LLC in Burr Ridge, Illinois from January 2022 to January 2024 and as Executive Vice President since January 2024. From June 2019 to December 2021, he was Director of People for Buona Companies LLC; in Burr Ridge, Illinois. From May 2016 to May 2019, he was Director of Operations for Buona Beef LLC in Burr Ridge, Illinois.

John Carlo Buonavolanto, Director of Sales and Marketing

John Carlo Buonavolanto has served as our Director of Sales and Marketing in Burr Ridge, Illinois since January 2022. He served as Catering Sales Manager for Rainbow Cone LLC in Burr Ridge, Illinois from March 2021 to January 2022. From January 2015 to March 2021, he served as Sales & Marketing Manager for Buona Catering LLC in Burr Ridge, Illinois since January 2015.

The following individuals are employed by The Buona Companies, L.L.C. but perform services for us in their roles with The Buona Companies, L.L.C.:

Steven Felson, Senior Vice President, Franchise Operations

Mr. Felson has served as Senior Vice President, Franchise Operations for The Buona Companies, L.L.C. in Burr Ridge, Illinois since January 2024. From May 2022 to January 2024, he was Vice President, Training for Home Franchise Concepts in Coppell, Texas. From December 2019 to May 2022, he was Vice President, Operations & Training for Bonchon in Dallas, Texas.

Laurie Cairns, Senior Vice President of Marketing

Ms. Cairns has served as Senior Vice President of Marketing for The Buona Companies, L.L.C. in Burr Ridge, Illinois since September 2024. From September 2019 to present, she has been self-employed as Cairns Communications in Chicago, Illinois.

John Westland, Director of Franchise Operations

Mr. Westland has served as Director of Franchise Operations for The Buona Companies, L.L.C. in Burr Ridge, Illinois since March 2024. From August 2020 to February 2024, he was Director of Operations Services for Bonchon in Dallas, Texas. From May 2009 to June 2020 he was International Franchise Business Manager for Front Burner Brands (Melting Pot Restaurants) in Tampa, Florida.

Joseph Buonavolanto, Director of Purchasing and Supply Chain

Mr. Buonavolanto has served as Director of Purchasing and Supply Chain for The Buona Companies, L.L.C. and its affiliates in Burr Ridge, Illinois since June 2018. He served as Purchasing Manager for Buona Beef LLC and Buona Catering LLC both in Burr Ridge, Illinois from January 2007 to June 2018.

Tony Scheri, Director of Culinary

Mr. Scheri is a culinary veteran who joined The Buona Companies L.L.C. in Burr Ridge, Illinois in May 2000 as the Corporate Chef. Since June of 2018 he has served as Director of Culinary for The Buona Companies L.L.C and its affiliates in Burr Ridge, Illinois.

Scott Evans, Director of Human Resources

Mr. Evans started with The Buona Companies L.L.C in Burr Ridge, Illinois in November of 2010 as a staff accountant in the payroll and compensation department. He has served as Director of Human Resources for The Buona Companies L.L.C in Burr Ridge, Illinois since January of 2020.

Samantha Klecyngier, Director of Curriculum

Ms. Klecyngier has served as Director of Curriculum for The Buona Companies, L.L.C. in Burr Ridge, Illinois since November 2024. From October 2023 to October 2024, she was Area Leader of Training for Raising Cane's in Plano, Texas. From March 2022 to October 2023, she was Field Learning Strategy

Manager for Dunkin' in Canton, Massachusetts. From February 2021 to March 2022, she was Senior Field Learning Specialist for Baskin-Robbins in Canton, Massachusetts.

Bryan Feltman, Field Training Manager

Mr. Feltman has served as Field Training Manager for The Buona Companies, L.L.C. in Burr Ridge, Illinois since August 2018.

Mark Kearins, Director of Information Technology

Mr. Kearins started with Buona Companies L.L.C. in Burr Ridge, Illinois in October of 2002 as a staff accountant. He served as an Information Technology support technician from October 2004 to January 2010. Since January of 2010 he has served as Director of Information Technology for the Buona Companies L.L.C. in Burr Ridge, Illinois.

Brie Craft, Learning & Development Manager

Ms. Craft started with Buona Beef LLC in Burr Ridge, Illinois in April of 2016 as an hourly team member. From November 2016 to September 2017 she worked as a Corporate Trainer and from September 2017 to October 2022, she served as the Training department specialist. From October 2022 to May 2024, she has served as the Franchise Onboarding and Training Manager for The Buona Companies L.L.C. in Burr Ridge, Illinois. She became our Learning & Development Manager in May 2024.

Nick Arajuo, Chief Financial Officer

Nick Arajuo started with Buona Beef LLC in Burr Ridge, Illinois in March of 1999. From 1999 to 2001 he worked as a staff accountant for The Buona Companies L.L.C. From 2001-2019 he served as Director of Finance for The Buona Companies L.L.C. Since January 2019, he has served as the Chief Financial Officer of The Buona Companies L.L.C. in Burr Ridge, Illinois.

John Kearins, Director of Finance

John Kearins started with The Buona Companies L.L.C. in Burr Ridge, Illinois in January of 2009 as a staff accountant. He was named Director of Finance in January 2019.

Anthony Grande, Area Business Leader

Mr. Grande has served as Area Business Leader for The Buona Companies, L.L.C. in Burr Ridge, Illinois since November 2023. From September 2022 to November 2023, he was Area Manager for Chicagoland Commissary in Chicago, Illinois. From May 2011 to September 2022, he was District Manager for Corner Bakery Café, Dallas, Texas.

Becky Kilinski, New Restaurant Opening Concierge

Ms. Kilinski has served as New Restaurant Opening Concierge for The Buona Companies, L.L.C. in Burr Ridge, Illinois since October 2016.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy action is required to be disclosed in this Item.

ITEM 5
INITIAL FRANCHISE FEE

Initial Franchise Fee

The Initial Franchise Fee for the grant of the franchise is \$40,000 for a Free Standing franchise and for an In-Line franchise, and \$20,000 for an Express franchise. The Initial Franchise Fee is due in full upon your execution of the Franchise Agreement.

The Initial Franchise Fee is non-refundable with one exception. If we terminate your Franchise Agreement for your failure to successfully complete the initial training program, we will refund you 10% of the initial franchise fee paid once you have signed and delivered to us a termination agreement and general release of all claims in a form satisfactory to us.

On-Site Training Fee Deposit

You must pay us an on-site training fee for the on-site assistance that we will provide you at your restaurant location before and around the time of the opening of The Original Rainbow Cone business. When you sign the Franchise Agreement, you must pay a non-refundable on-site training fee deposit in the amount of \$10,000. The balance of the on-site training fee will be paid after you open for business upon the completion of the on-site training and is non-refundable.

Initial Purchases of Products and Services

Before you open your The Original Rainbow Cone Business, you must purchase from our affiliate Keystone Planning + Design, PLLC design and architectural services relating to the build-out of the restaurant premises. The estimated cost is \$40,000 to \$60,000 for a newly constructed free standing restaurant, \$25,000 to \$60,000 for a leased free standing restaurant, and \$14,000 to \$24,000 for an In-Line restaurant in a leased premises. You must pay them a \$5,000 non-refundable deposit upon the execution of the Franchise Agreement. The refundability of other payments is as agreed upon between you and Keystone Planning + Design, PLLC.

Before you open your The Original Rainbow Cone Business, you may purchase an initial supply of marketing materials from our affiliate The Buona Companies, L.L.C. or another supplier. If you purchase the initial marketing materials from us, the estimated cost is \$100 to \$10,000. Payments for purchases of these materials is non-refundable.

Food Truck Add-On

If you are an existing franchisee and request and are granted the right to operate a Food Truck, you must pay us a non-refundable fee of \$10,000 when you sign the Food Truck Amendment.

Area Development Fee

If you are a Developer, you must sign the Franchise Agreement for your first The Original Rainbow Cone franchise and pay the initial franchise fee for the first franchise to be developed at the same time as you sign

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Paid
Grand Opening Advertising and Marketing ⁽¹¹⁾	\$10,000 to \$25,000	Lump Sum	60 days prior to opening and first 90 days of operation	Our Affiliate, Approved Suppliers and Advertising Agencies
On-Site Training Fee ⁽¹²⁾	\$21,053 to \$30,877	2 lump sums	\$10,000 deposit when franchise agreement is executed; balance as incurred	Us
Additional Funds – 3 Months ⁽¹³⁾	\$35,000 to \$75,000	As Incurred	As Incurred	Third Parties
Estimated Total ⁽¹⁴⁾	\$804,000 \$321 to \$1,362,653			

Notes for Free Standing Franchise – Leased Site:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and initially operating your The Original Rainbow Cone Free Standing franchised business if you lease the site. We do not offer direct or indirect financing for these items. None of the fees payable to us are refundable. Fees paid to vendors or other suppliers may or may not be refundable depending on their policies or your arrangements with them.

(1) Initial Franchise Fee - Your Initial Franchise Fee is \$40,000 for the Free Standing Franchise and is payable in full when you sign the Franchise Agreement. The Initial Franchise Fee is non-refundable, except if we terminate your Franchise Agreement for your failure to successfully complete initial training in which case we will refund 10% of the Initial Franchise Fee paid upon delivery to us of an executed release.

(2) Design and Architect Fees - You must engage our designated architect to plan the layout and required improvements for the leased premises.

(3) Lease Deposits and Rent - These figures presume that you will be leasing your premises. Generally, you will need to lease a site of approximately 2,200 to 2,800. We may allow or require variations to typical size parameters under certain circumstances. Your landlord will typically require a security deposit equal to one or two months' rent and may, also, require payment in advance of the first and/or last (or more) month's rent. These figures provide the estimated amount of the security deposit for a location meeting our typical size requirements. The expense of leasing will vary depending upon the size of the premises, its location (for example, downtown, suburban or rural), landlord contributions and the requirements of individual landlords. The lease rental payments shown in the charts above includes 3 months' rent (including CAM, taxes and insurance) for your initial period of operation. The estimate assumes that the landlord will not charge rent until The Original Rainbow Cone Business opens.