SCHOOP'S HAMBURGERS®

IN 2024

FRANCHISE DISCLOSURE DOCUMENT

Schoop's Enterprises, Inc.
an Indiana corporation
215 Ridge Road
Munster, Indiana 46321
Telephone Number: (219) 836-6233
rick@ricknewell.com
www.schoophamburgers.com

The franchisee will operate a "Schoop's Hamburgers®" Restaurant.

The initial franchise fee is $20,000. The estimated initial investment necessary to begin operation of a "Schoop's Hamburgers®" Restaurant is $285,000 - $385,000.00.

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.**

RISK FACTORS:

1. THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO SUE FRANCHISOR ONLY IN THE STATE OF INDIANA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTE.

2. THE FRANCHISE AGREEMENT STATES THAT INDIANA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Information about comparisons of franchisors is available. Call the Indiana Securities Commission or your public library for sources of information.

Registration of this franchise does not mean that the state recommends it or has verified the information in this offering circular. If you learn that anything in this offering circular is untrue, contact the Federal Trade Commission or the Indiana Securities Commission.

Effective Date: December 30, 2024.

SCHOOP'S HAMBURGERS, INC.

Date of Issuance: December 30, 2024

INFORMATION FOR PROSPECTIVE FRANCHISEES
REQUIRED BY FEDERAL TRADE COMMISSION

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To protect you, we've required your franchisor to give you this information. We haven't checked it, and don't know if it's correct. It should help you make up your mind. Study it carefully. While it includes some information about your contract, don't rely on it alone to understand your contract. Read all of your contract carefully. Buying a franchise is a complicated investment. Take your time to decide. If possible, show your contract and this information to an advisor, like a lawyer or an accountant. If you find anything you think may be wrong or anything you think important that's been left out, you should let us know about it. It may be against the law.

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

Federal Trade Commission
Washington, D.C. 20580

CROSS REFERENCE SHEET

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EXHIBITS

Financial Statements
Franchise Agreement (License Agreement)
Receipts

Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

As used in the Disclosure Document, "you" means the franchisee under the attached License Agreement. “We,” “us” and “our” refers to Schoop's Enterprises, Inc., an Indiana for-profit corporation which maintains its principal place of business at 215 Ridge Road, Munster, Indiana 46321. We do business under that name and our business is the licensing of "Schoop's Hamburgers®" restaurants. We have been given the right to license "Schoop's Hamburgers®" restaurants in the State of Indiana and have the authority to grant the right to operate restaurants under the name "Schoop's Hamburgers®" and further authorize the use of the name of Schoop, Schoop's and all associated names and descriptions. We do not operate "Schoop's Hamburgers®" restaurants. Our agents for service of process are Richard Newell, 1417 Wilderness Drive, Schererville, IN 46375 and the Indiana Secretary of State, 201 State House, 200 West Washington Street, Indianapolis, IN 46204. Each "Schoop's Hamburgers®" restaurant offers a uniform limited menu. Hamburgers are featured in various sizes and descriptions from simple hamburgers to special cheeseburgers. The restaurant business is subject to state and local health and food inspection laws and ordinances. Schoop’s Enterprises was established in 1984 specifically for the purpose of selling licenses for "Schoop's Hamburgers®" restaurants. There are no parent companies or predecessors but our authority to offer Licenses is granted by Schoop’s Hamburgers, Inc., another Indiana corporation which has roots going back to the late 1940's. Schoop’s Hamburgers, Inc. was operated as a family proprietorship from 1964 to 1970 and has operated as an Indiana corporation since that time. Schoop Hamburgers, Inc. granted its first license to operate a restaurant in 1982.

Our shareholders are also shareholders of SNN, Inc., 1417 Wilderness Drive, Schererville, IN 46375, which owns Howard & Sons Meat Market, Munster, Indiana, which is an approved supplier of meat to "Schoop's Hamburgers®" restaurants. Neither we, nor our predecessors or affiliates have offered franchises in any other line of business.

Item 2

BUSINESS EXPERIENCE

President and Director: Mark H. Schoop

Mark Schoop has been President and Chief Operations Officer of Schoop Hamburgers, Inc. for the last five years and many years prior to that time. He has been affiliated with us since our inception in 1984.

Vice President and Director: Randall Newell

Randall Newell is Co-owner/Operator of three "Schoop's Hamburgers®" restaurants and has operated one of those restaurants since February, 1982. Prior to that time and since 1975, he was Co-Owner of Oliver's Restaurant located at Calumet City, Illinois.

Secretary-Treasurer and Director: Richard Newell

Richard Newell is Co-owner/Operator of three "Schoop's Hamburgers®" restaurants and has operated one of those restaurants since February, 1982. Prior to that time and for a period longer than five (5) years from the present, he was Co-Owner of Oliver's Restaurant located at Calumet City, Illinois.

Item 3

LITIGATION

No litigation is required to be disclosed in this item.

Item 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this item.

Item 5

INITIAL FEES

All franchisees pay a $20,000.00 lump sum franchise fee when they sign the franchise agreement. There are no refunds.

If you have continuously operated a "Schoop's Hamburgers®" restaurant for a period of one (1) year, and we agree to grant an additional license to you, a principal of yours or a corporate entity with an identical principal, you must pay a development fee rather than the franchise fee noted above. This development fee shall be in an amount equal to $15,000.00 less than the initial license fee for a "Schoop's Hamburgers®" restaurant under the offering circular on file in the State of Indiana at the time of the execution of the additional license agreement. This development fee is non-refundable and must be paid upon signing of the additional license agreement. This reduced development fee shall apply to one additional license agreement only.

Item 6

OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty[1]	5% of gross sales	Within 30 days of the end of the calendar month	
Advertising Fee[1, 2]	Not to exceed 1% of gross sales during 12-month period.	Within 30 days of the establishment of cooperative fund	

Notes:

1 All fees are non-refundable, payable only to us, and uniformly imposed.

2 You agree to participate in and contribute to the fund if established by us (Section 9 of the Agreement)

Item 7

ESTIMATED INITIAL INVESTMENT

	Amount	**Method of Payment**	**When Due**	**To Whom Payment Is to be Made**
Initial Franchise Fee	$20,000	Lump Sum	At signing	Schoop's Enterprises, Inc.
Real Estate and Improvements	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Equipment, Fixtures and Other Fixed Assets	$325,000	As Incurred	As incurred	Various Suppliers
Opening Inventory	$5,000 (est.)	As Incurred	As incurred	Various Suppliers
Security Deposits	$10,000 (Note 3)	As Incurred	As incurred	Utilities, Lessor
Misc.	$8,000 to $12,000 (Note 4)	As Incurred	As incurred	Insurers, Various Suppliers
Advertising	Up to 1% of gross sales (Note 5)	As incurred	As incurred	Schoop's Enterprises
Additional Funds [Initial Period]	$45,000 to $60,000 (Note 6)	As Incurred	During initial period	Employees, Various Suppliers
Total	**$413,000 - $431,000 (excluding advertising fees)**			

Notes:

1. It is not possible to estimate expenditures for real estate for that could, in your discretion, entail purchase/construction of a location, purchase of an existing building, or entry into a lease the amount of which will vary greatly with location and term.

2. The cost of equipment, fixtures and other fixed assets can also vary greatly from a low of very negligible expense for a conversion of an ongoing concern restaurant to very expensive if a new facility is to be fully equipped with new equipment and fixtures at retail price. However, under normal circumstances, even with careful and prudent purchasing, you should expect to expend a minimum of $325,000.00 on such fixed assets.

3. It is reasonable to expect that security deposits for various utilities would be in the amount of at least $8,000.00. If space is leased, the amount of security deposit will depend upon the terms and conditions of the particular lease but it is fair to assume that a landlord would require two/three months rent as security deposit, (it would not be unreasonable to assume $2,500.00).

4. You are required to procure contracts of insurance under the License Agreement. You are required to carry Workman's Compensation coverage in the amount required by statute; general liability coverage including products and bodily injury, with minimum limits of $1,000,000.00; property damage coverage with minimum limits of $100,000.00; and business interruption coverage for a minimum period of six months. The cost of this insurance can vary widely, depending on the size and the location of the restaurant.

5. Schoop's Enterprises may establish a cooperative advertising fund in a standard ad coverage area. Your contribution to such a fund may not exceed 1% of your gross sales. You may, and are encouraged to, engage in reasonable advertising on your own.

6. These expenses, which may be incurred in the three-month initial period, include payroll and replenishment of inventory as it is used.

THERE ARE NO OTHER DIRECT OR INDIRECT PAYMENTS IN CONJUNCTION WITH THE PURCHASE OF THE FRANCHISE.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To insure uniform quality, we require that you purchase all meat products from Howard and Sons, Munster, Indiana. However, if you are able to procure better or equal quality from another source, we will approve such source. Shoop's Enterprises receives no direct benefit from the arrangement (although Howard and Son's is owned by SNN, Inc.; the shareholders of which are Mark Schoop, Richard Newell and Randall Newell); however, all operators of "Schoop's Hamburgers®" restaurants are ensured of uniform high quality product and competitive pricing of those products because of bulk purchasing. Meat products are the essential ingredient in quality control in the operation of "Schoop's Hamburgers®" restaurants and because of quantity of sales of such products, it is estimated that of all costs, such purchases are approximately fifty percent (50%) of cost of operation.

Item 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise agreement. It will help you find more detailed information about your obligations in the agreement and in other items of this offering circular.

Obligation	**Section in Agreement**	**Item in Disclosure Document**
a. Site selection and acquisition/lease	Section 2	Item 11
b. Pre-opening purchases/leases	Section 2	Item 11
c. Site development and other pre-opening requirements	Section 2	Item 11
d. Initial and ongoing training	Section 2	Item 11
e. Opening	Section 2	Item 11
f. Fees	Sections 6, 7, 9	Items 5, 6, 7
g. Compliance with standards and policies/operating manual	Section 5	Items 5, 8, 15
h. Trademarks and proprietary information	Section 10	Item 13
i. Restrictions on products/services offered	Section 5	Item 8

j.	Warranty and customer service requirements	None	None
k.	Territorial development and sales quotas	None	None
l.	Ongoing product/service purchases	Section 5	Item 8
m.	Maintenance, appearance and remodeling requirements	None	None
n.	Insurance	Section 15(c)	Item 7
o.	Advertising	Section 9	Item 7
p.	Indemnification	Section 15	None
q.	Owner's participation/ management staffing	Section 4	Item 15
r.	Records/reports	Section 8	None
s.	Inspections/audits	Section 5	None
t.	Transfer	Section 14	Item 17
u.	Renewal	Section 1	Item 17
v.	Post-termination obligations	Section 12	Item 17
w.	Non-competition covenants	Section 10	Item 17
x.	Dispute resolution	Section 15(f)	Item 17

Item 10

FINANCING

We do not offer direct or indirect financing and receive no benefits related to financing. We do not guarantee your note, lease or obligation.

Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

We encourage only those with prior business experience, particularly restaurant experience, to become involved in the acquisition and operation of "Schoop's Hamburgers®" restaurants. There is no formal training program and we are not bound to offer training or advice with respect to specific training programs, supervision or assistance. We recognize the mutual benefit of your success and therefore do offer general open-ended access and availability for advice in opening and operating the establishment. (Section 5 of the Agreement.)

Schoop’s Enterprises takes no role in the selection of a site and you take full responsibility for such site selection. (Section 5 of the Agreement.)

The time between signing of the Agreement and opening of the restaurant can vary greatly depending on the amount of construction as alluded to in other sections of this document. For instance, if you are converting a standing equipped restaurant, operation could commence literally in a matter of weeks. However, on the other hand, should you elect to erect and equipment a new facility, several months could pass. In any case, you are required to commence operation of the restaurant within six (6) months of the signing of the Agreement. (Section 2 of the Agreement.)

As mentioned above, Schoop's Enterprises will provide aid and assistance to you with respect to operation of the restaurant. This is indeed fairly open-ended and includes assistance with books, records, methods of operation, and suggestions respecting staffing. This counseling generally takes place on site but often times access can be arranged to an existing "Schoop's Hamburgers®" restaurant for purposes of observation and consultation.

This agreement does not require that franchisees buy or use electronic cash registers or computer systems.

Item 12
TERRITORY

Area and/or territories are negotiable. It is contemplated that a licensee will be granted for a specific location with a right to relocate within a specified area. This affords you flexibility in the event of road construction/relocation programs or in the instance of a lease situation, greater bargaining power with respect to landlords. Exclusive territories will not necessarily be granted and in the instance of no exclusive territory other Licenses could be granted in your general area Schoop's Enterprises has not been granted the right to open any restaurants in its own name and has no right to use different trade names or trademarks to open such restaurants. Your right to relocate within a given areas is not dependent upon any particular sales level..

Item 13
TRADEMARKS

"Schoop's Hamburgers®" is a registered trademark which we have the right to use freely in the operation of our business and to grant the right to use such registered mark to our Licensees. It is on the principal register of the United States Patent and Trademark Office, Registration Number 1,250,079, registration date August 30, 1988. The mark is not registered with any state. There are no actions whatsoever or outstanding determinations of the patent office or any other entity regarding the trademarks and there are no agreements which limit the right to use or license the trademark. Schoop's Enterprises is under a duty to defend the trademark and likewise there is a duty imposed upon you to vigorously defend use of the mark as the same is essential to the conduct of the affairs of the business of you and Schoop's Enterprises.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no registered patents or copyrights which materially affect the franchise. Schoop's Enterprises has developed certain trade secrets for operation of "Schoop's Hamburgers®" restaurants, and you must agree not to communicate or use these trade secrets concerning recipes or methods of preparation for a period of five years after termination of the Agreement. (Section 10 of the Agreement.)

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must maintain personal involvement in the day to day operations of the restaurant operated under the particular agreement, but there are no strict hours which must be maintained. In the event that you should re-establish in the corporate form, individual participation is still required of the initial individual Licensee(s).

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only goods Schoop's Enterprises has approved. (Section 4 of the Agreement.)

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 1	10 years
b. Renewal or extension of the term	Section 1	Renewable for two 10-year terms
c. Requirements for franchisee to renew or extend	Section 1	You must give written notice within ninety (90) days of expiration; "renewal" is simply an extension of the existing agreement.
d. Termination by franchisee	None	
e. Termination by franchisor without cause	None	
f. Termination by franchisor without cause	Section 11	We may terminate if you become insolvent or if you default
g. "Cause" defined – curable defaults	Section 11	Any default must be remedied to our satisfaction upon demand
h. "Cause" defined – non-curable defaults	Section 11	(Same as above)
i. Franchisee's obligations on termination/non renewal	Section 12	Must discontinue use of name and products and return manuals
j. Assignment of contract by franchisor	None	No restrictions
k. "Transfer" by franchisee- definition	None	
l. Franchisor's approval of transfer by franchisee	Section 14(b)	Will not be unreasonably withheld upon death or disability
m. Conditions for franchisor's approval of transfer	Section 14(c)	Written agreement; you must pay 10% of license fee then in effect

n. Franchisor's right of first refusal to acquire franchisee's business	None	
o. Franchisor's option to purchase franchisee's business	None	
p. Death or disability of franchisee	Section 14(b)	Franchise must be assigned by estate to approved buyer within one year; same in the case of disability
q. Non-competition covenants during the term of the franchise	Section 10	May not use or communicate recipes or methods – employee confidentiality required
r. Non-competition covenants after the franchisee is terminated or expires	Section 10	May not use or communicate recipes or methods for 5 years
s. Modification of the agreement	None	By written agreement
t. Integration/merger clause	Section 13	Only the terms of the agreement are enforceable.
u. Dispute resolution by arbitration or mediation	None	
v. Choice of forum	Section 15(g)	Litigation must be in Lake County, Indiana.
w. Choice of law	Section 15(g)	Indiana law applies

Item 18

PUBLIC FIGURES

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

Item 19

EARNINGS CLAIMS

Schoop's Enterprises does not furnish or authorize its salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income, or profits of a "Schoop's Hamburgers®" restaurant. Actual results may vary from unit to unit and Schoop's Enterprises cannot estimate the results of any particular franschise.

Item 20

LIST OF OUTLETS

As of the close of Schoop's Enterprises' fiscal year ending June 30, 2022, there were fifteen franchises of a type substantially similar to those offered.

As of the close of Schoop's Enterprises' fiscal year ending June 30, 2023, there were fifteen franchises of a type substantially similar to those offered.

As of the close of Schoop's Enterprises' fiscal year ending June 30, 2024, there were thirteen franchises of a type substantially similar to those offered.

Two other "Schoop's Hamburgers®" restaurants were also in operation as of June 30, 2024.

The Indiana Licensees of Schoop's Enterprises, Inc. are:

1. Sharin, Inc., which operates a restaurant at 2816 Calumet Ave., Valparaiso, Indiana, Telephone (219) 464-2996;
2. Clover Restaurants II, Incorporated, which operates a restaurant at 3905 45th Street, Highland, Indiana, Telephone (219) 924-6012;
3. Lanneah and Brian Malone, which operate a restaurant at 7776 E. 37th Avenue, Hobart, Indiana, Telephone (219) 942-6934;
4. NOGB Restaurant Group, LLC, which operates a restaurant at 4105 Franklin Street, Michigan City, Indiana, 46360, Telephone (219) 872-0170;
5. BCF, Inc., which operates a restaurant at 1124 North Main Street, Crown Point, Indiana, 46307, Telephone (219) 663-2288
6. Conn-Joff, Inc., which operates a restaurant at 136 E. Lincoln Highway, Schererville, Indiana, 46360, Telephone (219) 322-3332;
7. Tin Can Diner, Inc., which operates a restaurant at 3285 Willowcreek Road, Portage, Indiana 46368, Telephone (219) 763-1410;
8. Fairmark, Inc., which operates a restaurant at 9401 Wicker, St. John, Indiana, 46373, Telephone (219) 365-0112; and,
9. AKBurgers, LLC, which operates a restaurant at 7235 Indianapolis Boulevard, Hammond, Indiana, 46324, Telephone (219) 845-7090.

The Illinois licensees of Schoop's Enterprises, Inc. are:

10. MelDer, Inc., which operates a restaurant at 5701 Manhattan Road, Monee, Illinois 60449, Telephone (708) 534-6000; and,
11. Markat Restaurant, Inc., which operates a restaurant at 16703 Harlem Avenue, Tinley Park, Illinois 60477, Telephone (708) 781-9715.

There are currently operating two other "Schoop's Hamburgers®" restaurants which are as follows:

12. The restaurant owned by Schoop Hamburgers, Inc., is located at 215 Ridge Road, Munster, Indiana, 46321 and the telephone number at that location is (219) 836-6233.
13. Another Schoop's Restaurant is located at 695 Torrence Avenue, Calumet City, Illinois and the telephone number at that location is (708) 891-4270, the owner of that restaurant is Ricran, Inc., an Illinois corporation; that restaurant is franchised by Schoop Hamburgers, Inc.

PROJECTED OPENINGS AS OF JUNE 30, 2024

State	Franchise Agreement Signed but Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned outlet in the Next Fiscal Year
Illinois	0	0	0
Indiana	0	0	0
Total	0	0	0

STATUS OF COMPANY OWNED STORES[1]

For Fiscal Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Illinois	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Indiana	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Totals	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2

STATUS OF FRANCHISED OUTLETS

For Fiscal Years 2022 to 2024

Col. 1	**Col. 2**	**Col. 3**	**Col. 4**	**Col. 5**	**Col. 6**	**Col. 7**	**Col. 8**	**Col. 9**
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
Illinois	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Indiana	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9

No franchise has had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year. If you buy this franchise, your contact information may be disclosed. No franchise has failed to communicate with us within ten weeks prior to the issuance date of this disclosure agreement. No franchise has signed a confidentiality clause during the last three fiscal years. No franchise ceased doing business in the past fiscal year. There are no trademark specific franchise organizations associated with the franchise system, being offered.

1.

Item 21

FINANCIAL STATEMENTS

Our financial statements for the fiscal year ending June 30, 2022, June 30, 2023 and June 30, 2024 are attached hereto.

Item 22

CONTRACTS

A copy of the License Agreement is attached.

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SCHOOP'S ENTERPRISES, INC.

AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED
JUNE 30, 2024, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Schoop's Enterprises, Inc.
Highland, Indiana

Opinion

We have audited the accompanying financial statements of Schoop's Enterprises, Inc. (an Indiana corporation), which comprise the balance sheets as of June 30, 2024, 2023 and 2022, and the related statements of operations and retained earnings and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Schoop's Enterprises, Inc. as of June 30, 2024, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Schoop's Enterprises, Inc and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Schoop's Enterprises, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Schoop's Enterprises, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Schoop's Enterprises, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of General and Administrative Expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McMahon & Associates CPAs P.C.

McMahon and Associates Certified Public Accountants, P.C.
Munster, Indiana

December 27, 2024

SCHOOP'S ENTERPRISES, INC.

BALANCE SHEETS
JUNE 30, 2024, 2023 AND 2022

ASSETS

	2024	2023	2022
CURRENT ASSETS:			
Cash and cash equivalents	$ 12,306	$ 5,990	$ 17,831
Royalties receivable			
Unrelated parties	109,545	114,700	90,807
Related parties	5,000	2,700	19,875
Total current assets	126,851	123,390	128,513
FIXED ASSETS:			
Fixed assets	1,416	1,416	1,416
Less: accumulated depreciation	1,416	1,416	1,416
Net fixed assets	0	0	0
NONCURRENT ASSETS - Deferred income tax asset	0	0	2,668
TOTAL ASSETS	$ 126,851	$ 123,390	$ 131,181

LIABILITIES AND STOCKHOLDERS' EQUITY

	2024	2023	2022
CURRENT LIABILITIES:			
Accounts payable	$ 0	$ 1,350	$ 1,375
Accrued expenses	72,808	71,280	76,325
Total current liabilities	72,808	72,630	77,700
NONCURRENT LIABILITIES - Deferred income tax liability	5,245	3,890	0
Total liabilities	78,053	76,520	77,700
STOCKHOLDERS' EQUITY:			
Common stock - no par value			
Class A - voting; authorized, issued and outstanding 150 shares	525	525	525
Class B - non-voting; authorized, issued and outstanding 150 shares	525	525	525
Retained earnings	47,748	45,820	52,431
Total stockholders' equity	48,798	46,870	53,481
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 126,851	$ 123,390	$ 131,181

See accompanying notes to financial statements.

SCHOOP'S ENTERPRISES, INC.

STATEMENTS OF OPERATIONS AND RETAINED EARNINGS
FOR THE YEARS ENDED JUNE 30, 2024, 2023 AND 2022

	2024	2023	2022
REVENUES			
Royalties	$ 457,463	$ 437,085	$ 507,539
GENERAL AND ADMINISTRATIVE EXPENSES	457,005	436,460	522,072
INCOME (LOSS) FROM OPERATIONS	458	625	(14,533)
OTHER INCOME	2,825	535	0
NET INCOME (LOSS) BEFORE TAXES	3,283	1,160	(14,533)
INCOME TAX EXPENSE - CURRENT	0	(1,213)	0
INCOME TAX BENEFIT (EXPENSE) - DEFERRED	(1,355)	(6,558)	15,270
NET INCOME (LOSS)	1,928	(6,611)	737
RETAINED EARNINGS - Beginning of year	45,820	52,431	51,694
RETAINED EARNINGS - End of year	$ 47,748	$ 45,820	$ 52,431

SCHOOP'S ENTERPRISES, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024, 2023 AND 2022

	2024	2023	2022
OPERATING ACTIVITIES:			
Cash collected from franchisees	$ 460,318	$ 430,367	$ 544,890
Cash paid for goods and services	(454,002)	(442,208)	(527,059)
Net cash provided (used) by operating activities	6,316	(11,841)	17,831
NET INCREASE (DECREASE) IN CASH	6,316	(11,841)	17,831
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,990	17,831	0
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 12,306	$ 5,990	$ 17,831

	2024	2023	2022
RECONCILIATION OF NET INCOME (LOSS) TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Net income (loss)	$ 1,928	$ (6,611)	$ 737
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Add: non-cash items			
Deferred income taxes (benefit)	1,355	6,558	(15,270)
Net (increase) decrease in assets:			
Royalties receivable	2,855	(6,718)	37,351
Net increase (decrease) in liabilities:			
Accounts payable	(1,350)	(25)	(10,751)
Accrued expenses	1,528	(5,045)	5,764
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 6,316	$ (11,841)	$ 17,831

See accompanying notes to financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business - Schoop's Enterprises, Inc. (Company) sells franchise licenses for the rights to operate Schoop's Hamburgers® restaurants. At June 30, 2024, 2023, and 2022 there were ten, ten, and eleven franchises, respectively, in operation in Indiana and Illinois.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recently Adopted Accounting Pronouncement - Allowance for Credit Losses - In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASB ASC 326 were royalties receivable.

Cash Equivalents - Cash equivalents consist of money market funds. The Company maintains cash balances at a financial institution in Northwest Indiana. During the normal course of business, the cash balance may exceed the deposit amount of $250,000 insured by the Federal Deposit Insurance Corporation. At June 30, 2024, 2023, and 2022 there were no uninsured deposits.

Royalties Receivable and Allowance for Credit Losses - The Company operates as a franchisor and its accounts receivable are primarily derived from franchise fees. At each balance sheet date, the Company reviews the receivables for expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. The allowance estimate is derived from a review of the Company's historical losses based on the aging of receivables. The estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Company. The Company believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Company's portfolio segments have remained constant. The Company reviews accounts over 30 days and contacts the franchisees to resolve any outstanding balance. Receivables are considered past due when payment is not received within the period allowed under the terms of the contract. At June 30, 2024, 2023, and 2022 the Company considered all receivables collectible. The franchises would lose a license to operate if the fees were not submitted timely.

Fixed Assets - Fixed assets is recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the useful lives. All assets were fully depreciated as of June 30, 2024, 2023, and 2022.

Revenue Recognition - Franchise royalties are primarily comprised of royalties from Schoop's Hamburgers® franchisees. Each franchisee is generally required to pay a 5% royalty fee on sales. In certain instances, the Company will collect 4% on sales of breakfast. Payments for royalties and fees are generally due within seven days of the prior week end date.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Advertising - The Company expenses advertising costs as they occur. Advertising expenses were $550, $360, and $874, for the years ended June 30, 2024, 2023, and 2022, respectively.

Income Taxes - Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences relate primarily to royalty income receivable, royalty fees payable and state income taxes payable. These differences result from the use of the accrual method of accounting for financial statement purposes and the cash method of accounting for income tax purposes. The deferred tax assets and liabilities represent the future tax consequences of those differences, which will either be deductible or taxable when the assets and liabilities are recovered or settled.

NOTE 2 - RELATED PARTY TRANSACTIONS

The Company receives royalty fees from a franchise that is owned by two of the Company's stockholders. The Company pays a royalty fee to one of the stockholders. The Company also pays management fees to two companies owned by the three stockholders. The related party transactions are summarized as follows:

	2024	2023	2022
Year Ended June 30			
Royalty revenues	$ 29,523	$ 30,693	$ 63,410
Royalty fees expense	(63,460)	(61,823)	(73,898)
Management fees	(345,000)	(330,000)	(399,000)
At June 30			
Royalties receivable	5,000	2,700	19,875
Royalties payable (included in accrued expenses)	$ (20,666)	$ (19,455)	$ (25,392)

Office space is provided by a related party at no charge to the Company.

NOTE 3 - COMMON STOCK

Dividends paid to holders of Class A common stock are limited to $1 per share per annum. No dividends were paid during the years ended June 30, 2024, 2023 and 2022. Class B common stock is non-voting except for matters relating to merger, consolidation, and the sale of substantially all of the assets of the Company.

NOTE 4 - INCOME TAX EXPENSE (BENEFIT)

The provision for income tax consists of only current deferred income tax expense (benefit). The deferred income tax expense (benefit) for the years ending June 30 is as follows:

	2024	2023	2022
Deferred income tax expense (benefit)	$ 1,355	$ 6,558	$ (15,270)

The following is a summary of the significant components of the Company's deferred tax assets and liability as of June 30:

	2024	2023	2022
Deferred tax asset	$ 6,024	$ 7,470	$ 13,078
Deferred tax liability	(11,269	(11,360)	(10,410)
Net deferred tax asset (liability)	$ (5,245)	$ (3,890)	$ 2,668

The Company has approximately $42,956 and $53,220 of net operating loss carryforwards as of June 30, 2024 and 2023, respectively, for Federal and State income taxes. Management estimates that all net operating losses will be utilized in future years. Therefore, a valuation allowance is not provided at June 30, 2024.

NOTE 5 - INCOME TAX UNCERTAINTIES

The Company has adopted the provision of ASC 740-10-25, which requires an organization to disclose any income tax uncertainties, including tax positions, for which it is reasonably possible that the unrecognized tax benefit will significantly change in the next twelve months. The Company believes that all tax positions are reasonable and that the total amounts of unrecognized tax benefits will not significantly increase or decrease within 12 months of the reporting date. The Company has not recognized any interest or penalties in their June 30, 2024, 2023 and 2022 financial statements. The Company is open for tax return review for the prior three years. The adoption of this provision has not had a material effect on these financial statements. In general, the Company is no longer subject to examinations for the years prior to 2022.

NOTE 6 - REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table represents the Company's revenue disaggregated by location.

	2024	2023	2022
Crown Point	$ 42,645	$ 56,010	$ 53,755
Hammond	33,263	31,316	34,231
Hobart	42,649	44,987	46,834
Lowell	0	0	9,860
Michigan City	64,882	63,196	64,502
Orland Square – related party	0	(17,275)	31,698
Portage	74,009	64,005	85,958
Schererville	39,408	38,468	36,845
Southlake	0	0	(12,500)
St. John	36,513	36,265	38,393
Tinley Park	20,177	18,354	18,204
Valparaiso	74,394	71,066	68,050
Highland – related party	29,523	30,693	31,709
Total Sales	$ 457,463	$ 437,085	$ 507,539

A negative amount of revenue for Southlake location in 2022 and Orland Square location in 2023 represents an adjustment to the prior year revenues. The revenue was decreased due to the locations closing their operations and ending a franchise agreement with the Company in 2022 and 2023.

NOTE 7 - SUBSEQUENT EVENTS

Subsequent events were evaluated through December 27, 2024, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

SCHOOP'S ENTERPRISES, INC.

SCHEDULE I - GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30, 2024, 2023 AND 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	2024	2023	2022
Accounting fees	$ 6,370	$ 7,955	$ 8,965
Advertising	550	360	874
Legal fees	1,852	52	3,309
Licenses and fees	174	100	162
Management fees	345,000	330,000	399,000
Office expense and supplies	11,689	7,006	6,700
Other	17,910	19,664	19,664
Royalties	63,460	61,823	73,898
Travel	10,000	9,500	9,500
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	$ 457,005	$ 436,460	$ 522,072

IN 2024

F R A N C H I S E A G R E E M E N T

AGREEMENT made this ________ day of _________, 20__, by and between SCHOOP'S ENTERPRISES, INC., an Indiana Corporation (hereinafter referred to as "Licensor"), and ______________________________________, (hereinafter referred to as "Licensee" or "Operator"),

WHEREAS, Licensor is and has been duly granted the right to engage in the selling of franchises under the trademarks and trade names "Schoop", "Schoop's", the registered mark "Schoop's Hamburgers®" and related and associated names and descriptions, all referred to hereinafter as "trademarks", which have been used in the business of selling and otherwise distributing under such trademarks certain food products, other articles incidental to or used or consumed in connection with such food products,

WHEREAS, by reason of the time, effort, and money spent to develop and obtain knowledge in the field of so producing, merchandising, distributing and promoting the sale of hamburgers and related products and by reason of its maintenance of high standards of quality for the goods so sold under the Schoop name, and by reason of maintenance of high standards of service in the Schoop restaurants, over a period of years, substantial goodwill and demand for products has been created which are sold through the restaurants operated under the aforesaid trademarks, and

WHEREAS, Operator wishes upon the terms and conditions herein set forth to enter into the business of operating a restaurant at the premises herein described under the aforesaid trademarks, featuring its products and other merchandise of the type and quality approved by Licensor, all under the oversight of and in accordance with the standards of service approved by Licensor, and

WHEREAS, Licensor is ready and willing to grant a license to Operator for the operation of a "Schoop's Hamburgers®" restaurant upon the terms and conditions hereinbelow set forth.

NOW, THEREFORE, Licensor and Operator, in consideration of the mutual agreements herein contained and for other good and valuable consideration, acknowledged by each of them to be satisfactory and adequate, do hereby agree as follows:

1. License. Licensor hereby grants to Operator a non-exclusive and personal license to use the aforesaid trademarks in the operation of one restaurant to be located at _______________ _____________. Operator may relocate said restaurant to any point within an area defined as follows:

The license shall be for a term of ten (10) years, renewable for two additional ten (10) year terms, by giving notice to Licensor within ninety (90) days of the expiration of any term of Licensor's intention to so renew. Licensee shall have the right to engage in the business of producing and selling at retail, hamburgers and related products as approved by Licensor, under the aforesaid trademarks.

2. Equipment and Operation. Operator shall equip a restaurant upon said premises. Such equipment shall include the furniture and furnishings normally contained in a restaurant. Promptly following the equipping of the restaurant and continuing during the remainder of the term of this agreement, Operator shall continuously operate a restaurant business at the described location (except if prevented by an act of God or other cause beyond the control of Operator), using Operator's best efforts, skills and diligence in the conduct thereof. Operation of the restaurant must commence within six (6) months of the date of this Agreement. Operator shall have the right to prescribe the days and the hours of the day that such restaurant shall be operated. However, Licensee recognizes that continuous and daily availability of products and service to the public is essential to the adequate promotion of the restaurant to be operated hereunder and shall keep the location open for business during regular business hours for a restaurant of this type, except as prohibited or otherwise regulated by governmental authority, and shall otherwise conduct the business in accordance with generally accepted business standards but shall operate the restaurant a minimum of sixty (60) hours per week, official national holidays excepted. Licensor will lend suggestions, but final decision as to all questions regarding the purchase of equipment and liability therefor shall be the responsibility of Operator. Furthermore, Licensor has had no input and makes no representation respecting the location of the restaurant or the potential success thereof and Operator acknowledges that it has exercised sole discretion in site selection and assumes responsibility for success or lack of success of the enterprise.

3. Name of Restaurant. The name of such restaurant shall be "Schoop's Hamburgers". Such restaurant shall serve and feature "Schoop" hamburgers. However, Licensee shall not use the name "Schoop", "Schoop's" or "Hamburgers" as part of any corporate or partnership name under which it might operate.

4. Operation and Management. Operator shall sell and distribute menu items associated with the aforesaid trademarks as approved by Licensor, and shall have the right to distribute promotional literature and materials bearing said trademarks. Operator shall have the right and duty to protect all such trademarks. Licensor shall have no responsibility whatsoever in the day-to-day operations of the restaurant and Operator shall have total responsibility therefor (e.g., personnel, utilities, rent, taxes, management). Operator shall have responsibility for setting prices; however, Operator shall use good business judgment in setting reasonable prices.

Operator shall maintain personal involvement in the day-to-day operations of the restaurant operated under this agreement and in the event operator is a corporation or partnership, either initially or by assignment as authorized herein, then the individual principal or principals of such entity shall maintain such personal involvement.

5. Standards of Operation. During the term of this agreement Licensor shall determine standards of quality for all the goods used or sold by such restaurant and shall fully inform Operator as to the recipe and methods of preparation for "Schoop's Hamburgers ®" hamburgers as made by Licensor and how to obtain the ingredients therefor. Operator shall conform to such standards and operate such restaurant so as to sustain the goodwill and prestige which the name "Schoop" and Licensor's other trademarks enjoy with the public. For the protection of the Licensor's trademarks and in order that the patrons of the restaurant will not be misled, all hamburgers served by the restaurant shall be made with Licensor's specified ingredients from specified sources and prepared in accordance with the recipe furnished by Licensor. However, should Operator find a source of supply which offers equivalent consistent quality, Operator may use such source following approval in writing from Licensor, which approval will not be unreasonably withheld.

Licensor reserves the right, and Operator recognizes and shall honor the right, for Licensor to enter upon the premises so operated and to fully inspect the same at any and all reasonable times. Licensor does agree to be available to Operator to answer any questions regarding the operation of the location.

6. Initial Fee. Operator shall pay Licensor a license fee in the amount of Twenty Thousand Dollars ($20,000.00) which sum shall be payable when the Operator commences operation.

7. Royalty. Operator shall pay Licensor a royalty in an amount equal to five percent (5%) of Operator's gross sales (not including sales tax) made from such premises each month during the term of this Agreement. Within thirty (30) days after the end of each calendar month, Operator shall pay Licensor the said royalty for such calendar month. The payment shall be accompanied by Operator's statement of his gross sales during such calendar month and a copy of the Operator's state and local sales tax returns for such calendar month. A late charge of $50.00 will be due from Operator if the royalty payment is not paid timely as provided in this section.

8. Records of Operations. Operator shall maintain at such premises records of his business operations at such premises. All such records may be examined by Licensor or Licensor's authorized representative at any reasonable time at such location as Licensor may reasonably designate, including but not limited to operators premises and/or offices. Records shall include but not be limited to monthly, quarterly and/or annual statements, profit and loss statements, balance sheets, income and expense statements and cash register tapes. Operator shall maintain all records for a minimum of five (5) years; provided, however, that cash register tapes need be maintained for only two (2) years. If in the course of any inspection as hereinbefore referenced, it is revealed that the gross receipts reported by Licensee to Licensor are less than the gross receipts ascertained in the course of such inspection, then Licensee shall

immediately pay to Licensor the amount owing to Licensor in accordance to the correct gross receipts report.

Upon the discovery of a discrepancy in the report of gross receipts of two percent (2%) or more, Licensee shall pay and reimburse Licensor for any and all expenses connected with said inspection, including, but not limited, reasonable accounting and legal fees, as well as interest on the unreported receipts at the rate of the prime rate at The First National Bank of Chicago at the first date of inspection from the date said payment was due until the payment date. Such payments are without prejudice to any other remedies Licensor may have under this agreement.

9. Advertising. Operator may, and is encouraged to, engage in reasonable advertising. All such advertising shall be at Operator's expense. Furthermore, in order to maintain the good name and reputation of Licensor and Licensor's products and to maintain tastefulness in all advertising, Operator does agree to submit to the Licensor for its prior approval, all sales promotion materials and advertising to be used by Operator, including, but not limited to, newspaper, radio and television advertising, specialty and novelty items, signs, boxes, bags and wrapping papers. Licensor shall not unreasonably withhold approval and shall process all submissions within fifteen (15) days of receipt of submission. In the event that a cooperative advertising fund is established by Licensor, Licensor shall give the Operator thirty (30) days' notice of the establishment of such a fund, and Operator also agrees to participate in and contribute its share to said fund. The cost of the program shall be allocated among the locations in such area and each Operator's share shall be in proportion to its sales during the proceeding twelve (12) month period, but the aggregate of such additional contribution during any twelve (12) month period shall not exceed one percent (1%) of gross sales during said twelve (12) month period. Ad coverage area shall be defined as the area covered by the advertising media, (television, radio or other media) as recognized in the industry. At the time a program is submitted, Licensor shall submit a list of all operating units within the ad coverage area. Said sums so collected shall be expended solely and exclusively for advertising within or allocable to the ad coverage area.

10. Trademarks and Trade Secrets. Operator acknowledges that "Schoop," "Schoop's," the registered mark "Schoop's Hamburgers®," and related and associated names and descriptions are trademarks owned by Schoop Hamburgers, Inc., an Indiana Corporation, and that Licensor has the right (subject to licenses that may have been granted previously or rights retained by Schoop Hamburgers, Inc.) to use such trademarks in the operation of its business of franchising, and that there is valuable goodwill attached to such trademarks and trade names. Operator acknowledges that use of the aforesaid trademarks at any time shall create in Operator's favor no right, power or interest in such trademarks, but that all such uses of such trademarks shall inure to the benefit of Schoop Hamburgers, Inc. Operator will use such trademarks and such trade names only as the same may be associated with the operation of the restaurant

which is the subject of this agreement and shall R or TM or such other recognized marks as the case may be, with each use of each trademark or trade name. Any use or variation of any trademark or trade name shall have prior approval of Licensor and any new or variation of trademark or trade name associated with the business shall be the property of Schoop Hamburgers, Inc. Upon the termination of this agreement, Operator shall cease and desist from the use of the name and products and, if Licensor deems necessary, execute such documents and take such action as Licensor may deem reasonably necessary or desirable to evidence the fact that Operator has ceased using the above described trademarks and that Operator has no further interest or right therein whatsoever.

Furthermore, Operator recognizes and agrees that Licensor has developed certain trade secrets for the operation of "Schoop's Hamburgers®" Restaurants, and Operator shall not, during the term of this agreement and for a period of five (5) years thereafter, communicate or divulge to, or use for the benefit of, any other person, partnership, association or corporation, any trade secret, information or knowledge concerning the recipes or methods of preparation for "Schoop's Hamburgers®" hamburgers used or employed by Licensor in and about its business which may be communicated to the Operator or which the Operator may acquire by virtue of its operation under the terms of this Agreement, or which information is generally not known in the industry. Operator agrees that all of its employees, as a condition of employment, shall agree to confidentiality of the product as set forth above. Operator agrees that it will only use the tradename in an appropriate manner and defend any attempted infringement within the province of operator's use of said tradename pursuant to this agreement and furthermore agrees that Operator will inform Licensor of any infringing or potentially infringing use of the trademark, or any claim, demand or suit based on or arising from, or of any attempt by any other person, firm or corporation to use Licensor's trademarks, trade secrets, copyrights, insignia, service marks or systems licensed hereunder, or any colorable variation thereof, in which Licensor has a proprietary interest, within 20 days of discovery so that Licensor may investigate such infringement and take affirmative action to defend the integrity of the tradename and all associated rights.

11. Licensor's Right to Terminate. Licensor shall have the right to terminate this agreement upon notice in writing to Operator mailed to the above-described premises upon the occurrence of any of the following events:

a. Should Operator be declared insolvent or bankrupt, or make an assignment for the benefit of creditors, or in the event that a receiver is appointed or any proceeding is demanded by, for, or against Operator under any provision of the Federal Bankruptcy Act or any amendment thereof.

b. Should Operator default in the performance of any agreement made hereunder and such default shall not be remedied to Licensor' s satisfaction upon demand.

c. Should the business of Operator be sold, leased, or for any reason pass from the actual supervision or control of Operator.

12. Operator's Obligations upon Termination Upon the termination of this license agreement by lapse of time or otherwise for any cause, Operator will immediately discontinue the use of all trade names, trademarks, signs, structures, and forms of advertising indicative of Licensor's trademarks or the business or products thereof, and will make or cause to be made such changes in signs, buildings, and structures as Licensor may direct, effectively to distinguish the business from its former appearance and from "Schoop's Hamburgers ® " places of business.

13. Entire Agreement. The privileges herein granted to Operator contemplate the operation of a restaurant at such premises or as relocated as allowed in this Agreement. This Agreement contains the entire agreement of the parties and no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. No failure of Licensor to exercise any power given it hereunder, or to insist upon strict compliance by Operator of any obligation hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Licensor's right to demand exact compliance with the terms hereof. Licensor and Operator are not and shall not be considered as joint venturers, partners, or one as agent of the other, and neither shall have power to bind or obligate the other except as set forth in this Agreement. Nothing in this or any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

14. Assignment. The interest of Operator in this Agreement is personal and shall not be assigned, transferred, shared or divided in any manner by Operator, except as follows:

a. The Operator shall have the right to incorporate any enterprise established for the operation of the restaurant and transfer this Agreement to said corporation but in such event Operator shall be the sole shareholder of said corporation and shall not assign or transfer the stock in said corporation and shall conspicuously place upon each stock certificate of such corporation an endorsement stating that the transfer of such stock is restricted by the terms of this Agreement. In the event of such transfer to a corporation, Operator shall maintain his personal liability with respect to this agreement. Any transfer or attempted transfer of such stock shall be considered a material breach of this agreement; or,

b. In the event of the death of Operator, the estate of Operator can continue to manage and operate the restaurant which is the subject of this agreement for a period of one year during which time the estate may distribute such license or sell said license; however, such distributee or purchaser shall be subject to approval of Licensor, which approval shall not be unreasonably withheld. Likewise, in the event of permanent and total disability such that operator cannot maintain personal involvement as provided herein, which total and permanent disability shall be certified by a physician or a court of law, and in such event operator or his personal representative will have one year in which to dispose of said restaurant, however the distribute or purchaser shall be subject to approval of Licensor which approval shall not be unreasonably withheld. In the event the distributee or purchaser is not a spouse or lineal descendant of the Operator, the Operator shall be liable to Licensor for a license fee in an amount equal to ten percent (10%) of the initial license fee required under the offering circular as contained in the Schoop's Enterprises, Inc. franchise registration in effect in the state of the franchisee's operation at the time of the assignment. This fee shall be payable at or before closing of the assignment agreement and such payment shall be a precondition to the effectiveness of the assignment agreement; or,

c. By written agreement of Licensor and Operator, however, in the event of such an assignment, the Operator shall be liable to Licensor for a license fee in an amount equal to ten percent (10%) of the initial license fee required under the offering circular as contained in the Schoop's Enterprises, Inc. franchise registration in effect in the state of the franchisee's operation at the time of the assignment. This fee shall be payable at or before closing of the assignment agreement and such payment shall be a precondition to the effectiveness of the assignment agreement.

15. Indemnity.

a. This agreement does not constitute Operator as an agent, legal representative, joint venturer, partner, employee, or servant of Licensor for any purpose whatsoever. It is understood between the parties hereto that Operator shall be an independent contractor and is in no way authorized to make any contract, agreement, warranty, or representation on behalf of Licensor, or to create any obligation, express or implied, on behalf of Licensor. Operator shall prominently display in its place of business a certificate stating that said business is operated by Operator as a licensee of and not as an agent of Licensor.

b. Under no circumstances shall Licensor be liable for any act, omission, debt or any other obligation of Operator, and Operator shall indemnify and save Licensor harmless against any claim, cost of defense or expense of any kind incurred as the result of claims arising directly or indirectly from, or as a result of, or in connection with, Operator's operation of the licensed business.

c. Operator shall procure before the commencement of business, and maintain in full force and effect during the entire term of this agreement, at Operator's sole expense, an insurance policy or policies protecting Operator and Licensor and their officers and employees against any loss, liability or expense of any sort whatsoever resulting from, but not limited to, fire (including extended coverage), personal injury, death, property damage, or products liability or theft arising or occurring upon or in connection with such premises or by reason of Operator's operation upon, from or occupancy of such premises. Licensor shall be an additional named insured in such policy or policies (workman's compensation excepted). Such policy or policies shall be written by a responsible insurance company or companies satisfactory to Licensor, and shall include the following:

KIND OF INSURANCE	MINIMUM LIMITS OF LIABILITY
Workman's Compensation	Statutory
General comprehensive or public liability including products liability and	

bodily injury	$1,000,000.00
Property damage	$100,000.00
Business interruption insurance	6 Months

The insurance afforded by the policy or policies respecting liability shall not be limited in any way by reason of any insurance which may be maintained by Licensor. Within thirty (30) days of the signing of this agreement but no event later than the day before the date on which Licensee first opens its establishment for business, the certificates of insurance showing compliance with the foregoing requirements shall be furnished by Licensee to Licensor for approval. Such certificates shall state that said policy or policies will not be cancelled without at least ten (10) days prior written notice to Licensor. Maintenance of such insurance and the performance by Licensee of the obligations under this paragraph shall not relieve Licensee of liability under the indemnity provision set forth in this agreement. Minimum limits as required above may be modified from time to time, as conditions require, by written notice to Licensee. Licensor need not be included as a normal insured in any fire policy if Licensor has no interest in said premises or the equipment therein as owner, lessee, mortgagee or otherwise.

d. Should Licensee for any reason not procure or maintain such insurance coverage, as required by this agreement, the Licensor shall have the right and authority, at its option, to immediately procure such insurance upon notice, and Licensee will pay and reimburse Licensor for all costs of same.

e. Operator shall pay the Licensor all costs and expenses, including attorney's fees, incurred by Licensor in protecting or exercising its rights or remedies under this agreement or enforcing the validity of or any of the terms, conditions, or provisions of this agreement.

f. The parties executing this agreement on behalf of Operator or those declaring themselves as principals of the Operator jointly, severally and unconditionally assume, and personally guarantee the performance of, all Operator's obligations under this agreement. This provision shall also be binding on the principals of any entity to which this Agreement is assigned.

16. Compliance with Laws. Operator shall conduct his business and maintain such premises in strict compliance with all applicable laws, ordinances, regulations, and other requirements of any federal, state, county, municipal, or other government and will obtain all necessary permits, licenses, or other consents for the operation of his business. In addition to obtaining all permits, etc. and in complying with all laws, etc. Licensee shall pay and maintain current all obligations for such taxes, licenses or other consents and shall furthermore pay all bills and liabilities when due.

17. Notices. All notices required or permitted to be given hereunder shall be given in writing, deposited in the United States mail in a sealed envelope with postage thereon prepared and certified, addressed to the respective parties as set forth immediately below or to such other address as the parties may direct by notice to the other from time to time.

18. Remedies. Any specific right or remedy set forth in this agreement, legal, equitable, or otherwise shall not be exclusive but shall be cumulative upon all other rights and remedies set forth herein or allowed or allowable by this agreement or by law.

19. Titles of Paragraphs. The various titles of the paragraphs herein are used solely for convenience and shall not be used for interpreting or construing any word, clause, paragraph or subparagraph of this agreement.

20. Severability. Each section, part, term and/or provision of this agreement shall be considered severable and if for any reason any section, part, term and/or provision herein is determined to be invalid and contrary to or in conflict with any existing or future law or regulation, such shall not impair the operation or effect the remaining sections, parts, terms and/or provisions of this agreement, and the latter will continue to be given full force and effect by the parties hereto; and said invalid sections, parts, terms and/or provisions shall be deemed not to be a part of this agreement; provided, however, that if Licensor determines that said finding of invalidity or unenforceability adversely affects the basic consideration of this agreement, Licensor may, at its option, terminate this agreement.

21. Benefit. This agreement shall inure to the benefit of the successors and assigns of Licensor and Licensee.

IN WITNESS WHEREOF, the parties hereto have signed and sealed this agreement the day and year first above written. The undersigned signator(s) on behalf of the Licensee acknowledge that they are principals of the Licensee and that they have read, understand and agree to the terms of this Agreement.

SCHOOP’S ENTERPRISES, INC.

BY: ____________________________________

Address: _________________________________

____

LICENSEE

BY: ____________________________________

Address: _________________________________

____

DECLARATION OF PRINCIPALS

The undersigned declare themselves to be the principals of Operator, and acknowledge their individual economic interest in Operator and this Agreement, and jointly, severally and unconditionally assume, and personally guarantee the performance of, all Operator's obligations under this Agreement.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Illinois	September 25, 2024
Indiana	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

Item 23

RECEIPT

This offering circular summarizes certain provisions of the franchise agreement and other information in plain language. Read this offering circular and all agreements carefully.

If Schoop’s Enterprises, Inc. offers you a franchise, it must provide this offering circular to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Schoop's Enterprises, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the Office of the Attorney General of Illinois.

The people authorized to offer this financial opportunity are Mark H. Schoop, 215 Ridge Road, Munster, IN 46321, (219) 836-6233; Richard Newell, 3905 45th Street, Highland, IN 46322
(219) 718-1100; and Randall Newell, 695 Torrence Avenue, Calumet City, IL 60409, (708) 891-4270.

This disclosure document was issued December 30, 2024.

I received a disclosure document dated December 30, 2024 which included the following exhibits:

- Audited financial statements for fiscal years ending June 30, 2022; June 30, 2023; and June 30, 2024; unaudited financial statements for the period July 1, 2023 through March 31, 2024; and the Franchise Agreement (License Agreement).
-

Date: ______________________________ ____
Signature

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Date: ______________________________ ____

Signature