Department of
Business Oversigh

APR - 8 2019

RECEIVED
Sacramento

FRANCHISE DISCLOSURE DOCUMENT

Locococo Hawaii Franchise, LLC,
a Hawaii limited liability company
5174 Hoona Road
Koloa, Hawaii 96756
Telephone 808-319-1692
E-mail waikomoshaveice@gmail com
Website www waikomoice com

As a Waikomo Shave Ice Franchisee, you will operate a shaved ice dessert store or mobile truck or trailer with deliciously refreshing, natural, and health-conscious desserts We offer three models for a Waikomo Franchise Storefront model, Truck model, and Trailer model

The total investment necessary to begin operation of a Waikomo Shave Ice Storefront Franchised business ranges from $72,500 to $123,150 This includes $19,900 which must be paid to the franchisor or affiliate The total investment necessary to begin operation of an Area Development Business for 3 to 5 Storefront outlets is $92,400 to $162,950 This includes $39,800 to $59,700 which must be paid to the franchisor or affiliate

The total investment necessary to begin operation of a Waikomo Shave Ice Truck Franchised business ranges from $46,900 to $71,690 This includes $19,900 which must be paid to the franchisor or affiliate The total investment necessary to begin operation of an Area Development Business for 3 to 5 Truck outlets is $66,800 to $111,490 This includes $39,800 to $59,700 which must be paid to the franchisor or affiliate

The total investment necessary to begin operation of a Waikomo Shave Ice Trailer Franchised business ranges from $37,970 to $54,730 This includes $19,900 which must be paid to the franchisor or affiliate The total investment necessary to begin operation of an Area Development Business for 3 to 5 Trailer outlets is $57,870 to $94,530 This includes $39,800 to $59,700 which must be paid to the franchisor or affiliate

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, franchisor or an affiliate in connection with the proposed franchise sale **Note, however, that no government agency has verified the information contained in this document**

You may wish to receive your disclosure document in another format that is more convenient to you To discuss the availability of disclosures in different formats, contact Thomas Oliver, 5174 Hoona Road, Koloa, Hawaii 96756, 808-319-1692, waikomoshaveice@gmail com

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

Buying a franchise is a complex investment The information in this disclosure document can help you make up your mind More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the

FRANCHISE DISCLOSURE DOCUMENT

TABLE OF CONTENTS

ITEM 1 THE FRANCHISOR, AND ANY PARENT, PREDECESSORS, AND AFFILIATES 1

ITEM 2 BUSINESS EXPERIENCE 2

ITEM 3 LITIGATION 2

ITEM 4 BANKRUPTCY 2

ITEM 5 INITIAL FEES 2

ITEM 6 OTHER FEES 3

ITEM 7 ESTIMATED INITIAL INVESTMENT 8

ITEM 8 RESTRICTIONS ON SOURCES OF SERVICES AND PRODUCTS 13

ITEM 9 FRANCHISEE'S OBLIGATIONS 16

ITEM 10 FINANCING 17

ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING 17

ITEM 12 TERRITORY 21

ITEM 13 TRADEMARKS 25

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION 27

ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS 28

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL 28

ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION 28

ITEM 18 PUBLIC FIGURES 37

ITEM 19 FINANCIAL PERFORMANCE PRESENTATIONS 38

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION 40

ITEM 21 FINANCIAL STATEMENTS 42

ITEM 22 CONTRACTS 42

ITEM 23 RECEIPTS 42

EXHIBITS

A LIST OF STATE ADMINISTRATORS
B STATE AGENTS FOR SERVICE OF PROCESS
C FRANCHISE AGREEMENT
Schedule 1-General Release
Schedule 2-Nondisclosure and Non-Competition Agreement
Schedule 3-Unlimited Guaranty and Assumption of Obligations
Schedule 4-Collateral Assignment of Lease
Schedule 5-ACH Payment Agreement
Schedule 6-Holders of Legal or Beneficial Interest in Franchisee, Officers, Directors
Schedule 7-State Addenda to the Franchise Agreement
Schedule 8-SBA Addendum

ITEM 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor.

The franchisor is Locococo Hawaii Franchise, LLC For ease of reference in this disclosure document, Locococo Hawaii Franchise, LLC is referred to as "we," "us," or "our" and the person who is considering the franchise is referred to as "you" or "your " If you are a corporation, limited liability company, partnership, or other legal entity ("legal entity"), certain provisions of the franchise agreement and any related agreements will apply to your shareholders, members, partners, officers, managers, and directors ("principals")

We are a Hawaii limited liability company formed on March 28, 2018

We do business under our corporate name WAIKOMO SHAVE ICE

Our principal business address is 5174 Hoona Road, Koloa, Hawaii 96756

Exhibit B contains our agents for service of process

We have not engaged in any other line of business, have not offered franchises in any other line of business, and we began offering franchises in October 2018

Parents, Predecessors, and Affiliates.

Our CEO has operated a business of the type being franchised since June 2015 under our Affiliate, T's Bees, LLC, which was formed on June 19, 2013 with a principal business address at 5174 Hoona Road, Koloa, Hawaii 96756 Our Affiliate has not offered franchises in this or any other line of business

We do not have a parent or predecessors

The Franchise Offered

We offer franchises for a shaved ice dessert store or mobile unit (truck or trailer) operating under the trademark and trade name Waikomo Shave Ice If you purchase a franchise, you will be the owner of the franchised business, with staff to assist in the teaching and operations of the business Additional staff may be employed as your business grows You will provide these services through your own leased or purchased facility

You must operate the franchised business according to our standards and specifications and sign our standard franchise agreement ("Franchise Agreement")

The Market and Competition.

Your services will be targeted to the general public The market for frozen desserts is competitive and well-developed Due to the nature of shaved ice and related products, sales are seasonal with more business activity in the warmer months and less business activity in colder months You will compete with other local businesses, as well as many local, regional, and national restaurant chains, grocery stores, street vendors, and other food service businesses offering similar products for mobile consumption, take out, delivery, and catering services

Industry Specific Regulations.

Type of Fee	Amount	Due Date	Remarks
Renewal Fee[6]	$4,000	At time of renewal	FA Sec 4 2 9
Additional Training or Assistance[7]	Currently, we charge $250 per person per day if ongoing training is at our location, or $250 per person per day (plus hotel, air fare, and other expenses incurred by our trainer) if ongoing training is at your location	When training or assistance begins	We may charge you for training newly-hired personnel, for refresher training courses, for the annual convention, and for additional or special assistance or training you need or request For all training sessions and conferences, you must pay for your trainees' and representatives' salaries and benefits, and for their travel, lodging, and meal expenses FA Sec 8 4
Refurbishment of the Equipment[8]	At least $5,000	Every fifth (5th) year after execution of this Agreement, upon Franchisor's request	For purposes of updating Franchisee's equipment FA Sec 10 3
Local Advertising	None for Truck or Trailer Franchise, 2% of Gross Revenue for Store Front Franchise	Monthly	You must spend this amount on local advertising in your region if you acquire a Storefront Model franchised business FA Sec 11 1

Unless otherwise stated, all fees are imposed by, payable to, and collected by us We mandate several fees for third party services and it is your duty to pay such fees All fees payable to us are non-refundable Whether fees paid to third parties are refundable would depend on their policies Area Developers will not have any additional fees

NOTES

[1]Royalty Fee As a Franchisee, you are obligated to pay us a percentage of your sales as compensation for your rights as a Franchisee (the "Royalty") The Royalty rate is currently set at 6% for the entire term of the Franchise Agreement The Royalty obligation begins immediately on the first month your Business is open for operation The Royalty is due and payable monthly on the 10th day of each month, to be paid according to our specifications If you open the Business for operation on the 25th of the month or any time until the 25th of the next month, then your Business will be deemed to have opened during the immediately following calendar month For example, if you open your Business on January 26th, then we would consider February as your first month in operation and since there are no Royalties due for your first month, your royalty payments would begin in March for your February Royalty obligation If your Franchise Agreement is terminated, you will be required to continue Royalty payments for the remaining term of your Franchise Agreement

Royalty fees shall be payable to us by direct deposit from Franchisee's account See the Direct Deposit Agreement, attached herein and incorporated as Schedule 5 of the Franchise Agreement We reserve the right to change the time and manner of payment at any time upon written notice to you All Royalty fees are non-refundable

[2]Interest Interest and late charges begin to accrue on amounts not received within (5) days after the due date In addition to any interest and late charges, you must also pay any damages, expenses, collection costs, and reasonable attorney fees we may incur when you do not make the required payments, provided no interest charged shall exceed the maximum legal rate of any local, national, or international authority having jurisdiction over your Business activities

[3]Insufficient Funds We may charge you an insufficient funds fee if any payment you owe is rejected due to insufficient funds in your EDTA, or if any other payment instrument you are authorized to use is rejected for insufficient funds

[4]Management Fee Management fees will only be charged when one of our employees, or a third party appointed by us, actively controls the day to day management of your business The total amount of Management fees that you owe will be determined by the number of days that it is necessary for us to manage your business

[5]The national convention fees are to attend any annual franchise convention we may hold

[6]Renewal Fee Renewal fees are due at the time of renewal of the Franchise Agreement

[7]Training Fees Training fees may be imposed on you according to our policies

[8]Maintenance and Refurbishment We may charge you certain maintenance and refurbishment fees for any work we perform on your behalf to repair or otherwise improve your franchise location, including any such repairs or improvements made on our own initiative if you refuse to complete any requested maintenance or refurbishment The total amount of the maintenance and refurbishment fees that you pay us will vary depending on the labor and material costs of any such maintenance and refurbishing, as well as any

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

A FRANCHISE AGREEMENT – STOREFRONT MODEL

Type of Expenditure	Amount (Low-High Range)	Method of Payment	When Due	To Whom Payment is to Be Made
Initial Franchise Fee[1]	$19,900	Lump sum	Upon signing your Franchise Agreement	To us
Traveling and Living Expenses while Training[2]	$1,500 - $2,500	As arranged	As incurred	Third parties
Real Property Lease and Pre-Opening Rent (500-700 sq ft)	$2,000 - $9,000	As arranged	As incurred	Third parties
Grand Opening Advertising[3]	$1,000 - $2,000	As arranged	As incurred	Third parties
Computer System	$200 - $700	As arranged	As incurred	Third parties
Equipment, TV, Cameras, and other Supplies[4]	$5,000 - $6,000	As arranged	As incurred	Third parties
Furniture, Fixtures, and Décor[5]	$2,000 - $4,000	As arranged	As incurred	Third parties
Construction of Leasehold Improvements[6]	$25,000 - $50,000	As arranged	As incurred	Third parties
Inventory and Supplies[7]	$3,000 - $4,000	As arranged	As incurred	Third parties
Licenses, Permits, and Certifications[8]	$250 - $750	As arranged	As incurred, before lease signing	Third parties
Insurance (3 Months)[9]	$400 - $800	As arranged	As incurred	Third parties
Signage	$5,000 - $7,000	As arranged	As incurred	Third parties
Architectural and Engineering	$1,500 - $3,000	As arranged	As incurred	Third parties
Attorneys and Accountants	$750 - $1,500	As arranged	As incurred	Third parties
Additional Funds (3 months)[10]	$5,000 - $12,000	As arranged	As incurred	Third parties
Total[11]	**$72,500 - $123,150**			

Type of Expenditure	Amount (Low-High Range)	Method of Payment	When Due	To Whom Payment is to Be Made
Inventory and Supplies[7]	$3,000 - $4,000	As arranged	As incurred	Third parties
Insurance (3 Months)[9]	$500 - $600	As arranged	As incurred	Third parties
Architectural and Engineering	$1,500 - $3,000	As arranged	As incurred	Third parties
Attorneys and Accountants	$750 - $1,500	As arranged	As incurred	Third parties
Additional Funds (3 months)[10]	$3,000 - $7,000	As arranged	As incurred	Third parties
Total[11]	**$37,970 - $54,730**			

NOTES

[1]We describe the Initial Franchise Fee in Item 5

[2]We will train you (or your managing owner) and one of your manager-level employees Additional persons may attend initial training concurrently if you pay our then-current training charge for each additional person You must also pay for all travel and living expenses which you and your employees incur while training

[3]You must expend this amount on Grand Opening prior to the opening of the Franchised Business

[4]This estimate includes all equipment required for the location, as well as miscellaneous other items required, many of which may be leased Based on where the location is geographically, this cost will vary

[5]This estimates all tables, chairs, and other furniture necessary for a storefront Business with approximately 500 to 700 square feet

[6]This estimate includes equipment for the Storefront model that is required, including shaved ice machine, freezer, and other equipment necessary to operate the Franchised Business

[7]Opening inventory of products and supplies will vary based on expected volume of business and size of storage areas in the leasehold

[8]Estimated costs of obtaining required licenses and permits to operate your business Some costs may vary depending on the location of the Franchised Business

[9]You must maintain in-force policies of insurance issued by carriers approved by us covering various risks for your Business We may specify the types and amounts of coverage required under these policies and require different and/or additional kinds of insurance at any time

[10]This is an estimate of the funds needed to cover business (not personal) expenses during the first 3 months of operation of the Business You will need capital to support ongoing costs of your business As with most

businesses, your costs will depend on factors such as how much you follow our recommended systems, your technical, marketing and general business skills, local economic conditions, the local market for your business, competition, local cost factors, location, and the sales levels achieved by you This is only an estimate

[11]We relied on our Affiliate's experience in the format of the franchise business to compile these estimates You should review these figures carefully with your business advisor before deciding to acquire the franchise We do not offer financing directly or indirectly for any part of the initial investment

[12]This estimates the down payment to purchase or lease a trailer or truck for the operation of the Franchised Business Truck and trailer estimates include all buildout and equipment required inside the vehicles

D. AREA DEVELOPMENT AGREEMENT

Expenditure[1]	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Area Development Fee[2]	$39,800 - $59,700	Lump Sum	Upon entering into Area Development Agreement	Us
Initial Investment for Your Initial Franchised Business - Storefront[3]	$52,600 - $103,250	See Chart 7(A) above		
Initial Investment for Your Initial Franchised Business - Truck[3]	$27,000 - $51,790	See Chart 7(B) above		
Initial Investment for Your Initial Franchised Business – Trailer[3]	$18,070 - $34,830	See Chart 7(C) above		
STOREFRONT TOTAL	**$92,400 – 162,950**			
TRUCK TOTAL	**$66,800 - $111,490**			
TRAILER TOTAL	**$57,870 - $94,530**			

NOTES

[1]**Generally** The estimates set forth in this Chart 7(B) assume that you will be entering into an Area Development Agreement for the right to open and operate three to five Franchised Businesses within a Development Area and the cost of opening the first Franchised Business

[2]**Development Fee:** The Area Development Fee ranges from $39,800 to $59,700 for three to five territories, as explained in Item 5 above You may purchase additional territories for $9,950 each

[3]**Initial Investment for Franchised Business** This figure represents the total estimated initial investment required to open your initial Franchised Business under the Franchise Agreement you must enter into with us at the same time as the execution of your Development Agreement

Other than the Development Fee for three territories, this figure does not include costs associated with opening a second and subsequent locations which will incur additional costs This range includes all the estimated fees set forth in Chart 7(A), except for the Initial Franchise Fee because you will not be required to pay an Initial Franchise Fee if you enter into an Area Development Agreement

These figures do not include royalties, interest expense, depreciation, or taxes These figures are estimates of your initial expenses covering the first three months of your operation Your costs will depend on how well you follow our methods and procedures, your management skills, experience and business acumen, local economic conditions, the local market for our services, the prevailing wage rate, and competition You should review these figures carefully with a business advisor before making any decision to purchase the franchise

Inventory and Supplies

You must purchase supplies from an approved supplier or pursuant to our specifications

Leased Location

If you choose to acquire a Storefront Model, you will need a site in which to operate the franchised business We furnish site selection guidelines We require you to send to us any proposed lease and information as required by us to evaluate the site for our approval before you sign the lease You may lease from any landlord

Leasehold Improvements

You may purchase leasehold improvements from any supplier but must build out your location pursuant to our specifications

Signage

You must purchase signage pursuant to our specifications

Truck

If you choose to acquire a Truck Model, you will need to purchase or lease a 12' foot food truck with complete buildout subject to our specifications from an approved supplier to operate the franchised business We furnish specifications for the Truck for the operation of the franchised business

Trailer

If you choose to acquire a Trailer Model, you will need to purchase or lease a 12 foot by 8 foot complete trailer basic for food service with complete buildout subject to our specifications from an approved supplier to operate the franchised business We furnish specifications for the Truck for the operation of the franchised business

Whether we or our Affiliates are Approved Suppliers·

We are currently approved suppliers of advertising materials, but not the only approved supplier

Our officer, Thomas Oliver, owns an interest in us

Alternative Suppliers.

We do not maintain written criteria for approving suppliers and thus, these criteria are not available to you or your proposed supplier We do permit you to contract with alternative suppliers if approved by us and they meet our criteria We charge any costs incurred, up to $1,000, to test another supplier you propose If you wish to propose another supplier to us, you must submit the proposed supplier that you wish for us to consider in writing Your request must include sufficient specifications, photographs, drawings, and other information and samples to enable us to determine whether your proposed supplier meets our specifications Your request must also provide confirmation that the supplier is financially sound and carries adequate liability insurance We will examine the quality of the items and the supplier's ability to supply a sufficient quantity in a timely manner and with good customer service to determine whether to add the supplier to our

2 After the opening of the Franchised Business, we will

a Offer you guidance and/or training Our guidance is based on our and our Affiliate's knowledge and experience We offer you advice and guidance on a variety of business matters, including sales techniques, operational methods, accounting procedures, as well as marketing and sales strategies (Section 14 1 of the Franchise Agreement)

b Make periodic visits to the Franchised Business to provide you with consultation, assistance, and guidance in various aspects of the operation and management of the Franchised Business We may prepare written reports suggesting changes or improvements in the operations of the Franchised Business and detailing deficiencies that become evident during a visit If we prepare a report, we may provide you with a copy (Section 14 2 of the Franchise Agreement)

c Make available operations assistance and ongoing training to you, as we deem necessary (Sections 8 1, 8 2, and 18 5 of the Franchise Agreement) Ongoing training programs are described later in this Item and in Item 6

d Provide you with modifications to the Operations Manual as they are made available to franchisees (Section 9 2 of the Franchise Agreement)

3 Advertising and Promotion

Local Advertising

a If Franchisee acquires a Storefront Model franchised business, Franchisee shall contribute each month the total of two percent (2%) of Gross Revenue from the previous month into local advertising (such advertising to be approved by Franchisor prior to use thereof) Franchisee shall continuously and consistently promote the Franchised Business Every month, Franchisee shall participate in a variety of marketing and promotions such as door mailings, public relations, online or mobile advertisement, or any other form of marketing within the immediate locality surrounding the Franchisee Business, as well as direct sales support when requested by Franchisor Franchisees who acquire the Truck or Trailer Model are not required to spend this amount on Local Advertising (Section 11 1 1 of the Franchise Agreement)

b Franchisor shall oversee all local advertising/marketing programs, with sole control over creative concepts, materials, and media used in such programs, and the placement and allocation thereof Franchisor does not warrant that any particular franchisee will benefit directly or pro rata from expenditures by its local advertising program Franchisor does not warrant the success or effectiveness of any particular advertising/marketing program (Section 11 1 2 of the Franchise Agreement)

Grand Opening Advertising If you acquire a Storefront Model franchised business, we require you to spend $1,000 - $2,000 prior to your opening for business, pursuant to our guidelines (Section 11 2 of the Franchise Agreement)

Internet Advertising. You are restricted from either establishing a presence or marketing on the Internet without our written consent We have an Internet website at the uniform resource locator www waikomoice com that provides information about the System and about Waikomo Shave Ice Franchises We may provide you with a page on our home page, where we will have contact information and pricing for your location All information posted on the Waikomo Shave Ice website or any linked

experience in the field and with us

The principal instructional materials will consist of the Operations Manual

Periodically, you, your managers, and/or employees must attend refresher-training programs to be conducted at a location we designate or by webinar, at our discretion Attendance at these programs will be at your expense, however, you do not have to attend more than 2 of these programs in person in any calendar year, and these programs will not collectively exceed 4 full days during any calendar year (including both in person training and webinar training) (Franchise Agreement, Section8 4)

ITEM 12. TERRITORY

You will not receive an exclusive territory You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control

You must operate your Business within the specific location identified in your Franchise Agreement You are awarded a protected marketing territory (the "Territory") that will include the lesser of a land area with a population of 100,000 people or a 3-mile radius from your location We reserve the right to grant each franchisee a territory on a case-by-case basis in order to account for the unique features of each geographic marketplace You may not conduct business at any other site or sites other than the Territory as described in your Franchise Agreement, or any additional part of the Territory that may be added by an addendum attached to your Franchise Agreement You may not relocate your business within the Territory without our express written consent While you must conduct your business at the primary location, you may also conduct additional activities to sell products and/or provide services (for example at promotional events, charity events, etc), so long as such events are within your Territory You may conduct business at off-site events in other geographical areas where there is not a Waikomo Shave Ice business only after providing notice to us and after obtaining our explicit written approval, however, you cannot perform Target Marketing, as described below, outside of your Territory You may sell and deliver products or services to customers located outside your Territory if, and only if, such sales of products or services are made within your Territory

We shall approve or deny any request to conduct off-site events outside of your Territory within three (3) business days of receipt of your request, such request and our response to same shall be in writing or by email If we approve your request to conduct business at off-site events outside the Territory, you must be prepared to immediately lose any accounts or operations you have established in the outside geographical area if and when that area is purchased by any other franchisee, and you shall immediately refrain from conducting any business whatsoever is at such off-site events

We cannot establish either a company-owned Franchise nor license any other person or entity to locate a Franchise within your Territory during the term of the Franchise Agreement You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control

Your licensed Territory is determined by population, competition, traffic patterns, proximity to major roads, demographics of the surrounding area, available parking, market penetration, and/or other conditions important to the successful operation of a Waikomo Shave Ice Business, as we deem appropriate and as identified in your Franchise Agreement We retain the right to delineate the exact bounds of your licensed Territory once a primary location is chosen, and such Territory shall not be altered even if there is a population increase or decrease, unless we decide otherwise in our sole and absolute discretion Your Territory will also not be affected by the number of customers you retain, products or services that you sell, your revenues, or your sales volume Certain locations, such as major metropolitan areas may have smaller

territories due to the relative density of the populated areas You may not open your primary location in the Territory for your Business until we grant you our explicit written permission You may not relocate your Business or establish additional locations within your Territory until we grant you our explicit written consent, such consent to be given at our sole and absolute discretion We will base any such consent on traffic patterns at your proposed new location, a study of the local population, and a review of your lease agreement

If you want to establish more than one franchise with us, you must submit a separate application for each proposed franchise You shall pay a fee for each additional acquisition mentioned in Item 5, and you must further be in compliance with all other terms and conditions of the Franchise Agreement We must also approve the location of any additional Location as contemplated in Items 11 and 12 above

The Territory described above will affect where you and other franchisees may solicit business You are encouraged to directly advertise and market for clients located within your Territory Regardless of any other rights you may have in the Territory, we maintain the right to service clients and sell services and products to anyone from anywhere at our affiliate's location without compensation to you You are prohibited from soliciting and/or marketing products and services outside of your respective Territory, specifically including Target Marketing within the territory of another Waikomo Shave Ice operation (including competing franchises and/or a company/affiliate owned businesses) Target Marketing means a concerted effort by a franchisee to solicit and obtain clients through any type of advertisement or marketing, directed at all or a portion of another franchisee's territory ("Target Marketing") We will use commercially reasonable efforts to enforce this requirement regarding Target Marketing if you or any other franchisee violates it

If you are asked any client or organization to conduct business at off-site events in geographical areas outside your Territory in which there is another Franchise or company-owned business, you must immediately refer that request to the Waikomo Shave Ice business that is assigned to such outside territory However, if such other franchisee or affiliated company business gives you explicit permission, you may conduct off-site activities in that outside territory, so long as you also immediately inform us in writing that such permission has been granted If there is not a Waikomo Shave Ice business in that geographical area, then you must submit a written request to conduct business at such off-site event to us and upon our written approval you can proceed We shall approve or deny your request to conduct business at off-site events in other geographical areas not owned by other franchisees, us or our Affiliates, which approval is in our sole discretion, within three (3) business days of your written request Our response to your request will be made by email or any other form of written communication Approval may be revoked at our sole discretion However, you must be prepared to immediately cease conducting such events in that other geographical area when that unassigned area is no longer unassigned as there is a new franchise location or company owned outlet there

Your license to the Territory is protected as long as you adhere to the terms of the Franchise Agreement While the Franchise Agreement is in effect, and while you are not in breach thereof, we shall not establish either a company-owned franchise nor license any other person or entity to locate a franchise within your Territory We sell products and services through alternative channels of distribution (such as online marketplaces) However, we will not permit other franchisees, or company-owned outlets to make sales through alternative channels of distribution in your Territory We reserve the same right to provide services and sell products (including shipping such items) to anyone from anywhere without compensation to you

If during the term of the Franchise Agreement you are unable to promptly and properly service any of your customers, you must refer such customers to another franchisee, company-owned business, or directly to us If you fail to refer off-site events or customers as set forth herein, we reserve the right to immediately terminate the Franchise Agreement For any default of the Franchise Agreement, as an alternative to

Upon expiration or termination of the ADA, we will be entitled to develop and operate, or to franchise to others the right to develop and operate, Waikomo Shave Ice Businesses in your former Development Area, except within any Territory under any Franchise Agreement between us and you that has not been terminated

We may terminate the ADA if you (i) fail to comply with the Development Schedule, (ii) make, or attempt to make, a transfer or assignment in violation of the ADA, (iii) fail to comply with any terms and conditions of the ADA, (iv) fail to comply with any terms and conditions of any individual Franchise Agreement or any other agreement to which you and we or our affiliates are parties, and do not cure such failure within the applicable cure period (regardless of whether we in fact terminate such Franchise Agreement or any other agreement) For any default of the ADA, as an alternative to termination, we may, at our sole and absolute discretion (i) modify or completely eliminate any territorial rights that you may have with respect to your Development Area and either operate or grant others to operate businesses within the Development Area, or (ii) reduce the Development Area and Development Schedule to a size and magnitude that we estimate you are capable of operating otherwise in accordance with the ADA (Area Development Agreement Section 7)

ITEM 13 TRADEMARKS

You receive the right to operate your business under the name "Waikomo Shave Ice" which is the primary Mark used to identify our System per the limitations set forth in the Franchise Agreement and/or Operations Manual You may also use any other current or future Marks to operate your franchised business that we designate, including the logo on the front of this Disclosure Document and the service mark listed below By "Mark," we mean any trade name, trademark, service mark or logo used to identify your business We have filed for the registration of the following Mark in the U S Patent and Trademark Office ("USPTO") Principal Register

MARK	SERIAL NUMBER	FILING DATE	PRINCIPAL OR SUPPLEMENT REGISTER OF THE USPTO
WAIKOMO SHAVE ICE	88088971	August 22, 2018	Principal (Pending)

We do not have a federal registration for our principal trademark Therefore, our trademark does not have as many legal benefits and rights as a federally registered trademark If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses

There are currently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or any court, or any pending infringement, opposition, or cancellation proceeding in which we unsuccessfully sought to prevent registration of a trademark in order to protect a trademark licensed by the franchisor There is no pending material federal or state court litigation regarding our use or ownership rights in a trademark

We have a license agreement with our CEO, Thomas Oliver, the owner of the mark, to use and sublicense the use of the Mark The license is for 10 years with automatic renewal terms of 10 years each The license agreement may be terminated if we are insolvent, if a trustee is appointed to administer our business, if we wind-up or sell our business or if we breach any of our duties or obligations under the license agreement There are no other agreements currently in effect that significantly limit our rights to use or license the use of the Marks in any manner material to the franchise

There is no registration or pending application for the logo shown on the cover page of this Disclosure Document

We know of no infringing or prior superior uses that could materially affect the use of the Marks

You do not receive any rights to the Marks other than the right to use them in the operation of your Franchised Business You must follow our rules when you use the Marks You must use the Marks as the sole trade identification of the franchised business You cannot use a name or Mark as part of a corporate name or domain name, or with modifying words, designs or symbols except for those which we license to you You may not use any Mark in connection with the sale of any unauthorized services or products, or in any other manner that we do not authorize in writing You must obtain a fictitious or assumed name registration if required by your state or local law Any unauthorized use of the Marks by you is a breach of the Franchise Agreement and an infringement of our rights in the Marks You must not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement You must not assist any other person in contesting the validity or ownership of the Marks

You must immediately notify us when you learn about an infringement of, or challenge to your use of, any Mark, or any claim by any person of any rights in any Marks, and you must not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so, however, you may communicate with your own counsel at your own expense We will take the action we think appropriate in these situations, we have exclusive control over any settlement or proceeding concerning any Mark You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks

While we are not required to defend you against a claim arising from your use of our Marks, we will reimburse you for all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark, but only if you notify us of the proceeding in a timely manner and you have complied with our directions with regard to the proceeding We have the right to control the defense and settlement of any proceeding We will not reimburse you for your expenses and legal fees for separate, independent legal counsel and for expenses in removing signage or discontinuing your use of any Mark We will not reimburse you for disputes where we challenge your use of a Mark

If we require, you must modify or discontinue the use of any Mark and use other trademarks or service marks we designate We do not have to reimburse you for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark If we adopt and use new or modified Marks, you must add or replace equipment, supplies and fixtures, and you must make other modifications we designate as necessary to adapt your franchised business for the new or modified Marks You do not have to spend an amount unreasonably disproportionate to your initial investment during the initial term of the Franchise Agreement to conform your Franchised Business to changes to the Marks and other System modifications We do not reimburse you for any loss of goodwill associated with a modified or discontinued Mark

You must notify us if you apply for your own trademark or service mark registrations You must not register or seek to register as a trademark or service mark, either with the USPTO or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any of our Marks

You may not advertise on the Internet using, or establish, create or operate an Internet site or website using any domain name containing, the words "Waikomo Shave Ice" or any variation thereof without our prior written consent

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents are material to the franchise We own copyrights in the Operations Manual, our website, our marketing materials, training manuals or videos, and other copyrightable items that are part of the System While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Register of Copyrights You may use these items only as we specify while operating the Franchised Business and you must stop using them if we direct you to do so

We know of no effective determinations of the U S Copyright Office or any court regarding any of our copyrighted materials Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use We are not required to protect any future patents or patent applications, or copyrights, nor to defend the franchisee against any claims arising from the franchisee's use of patented or copyrighted items

We have developed certain trade secrets and other confidential information, including methods of business management, training techniques, sales and promotion techniques, and know-how, knowledge of, and experience in, operating a Waikomo Shave Ice Business We will provide our trade secrets and other confidential information to you during training, in the Operations Manual and as a result of the assistance we furnish you during the term of the franchise You may only use the trade secrets and other confidential information for the purpose of operating your Franchised Business You may only divulge trade secrets and/or other confidential information to employees who must have access to it to operate the Franchised Business You are responsible for enforcing the confidentiality provisions as to your employees

Certain individuals with access to trade secrets or other confidential information, including your shareholders (and members of their immediate families and households), officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your managers, executives, employees and staff may be required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement We will be a third-party beneficiary with the right to enforce those agreements

All ideas, concepts, techniques or materials concerning the franchised business and/or the System, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees, and you agree to assign to us all right, title and interest in any intellectual property so developed without additional compensation to you Likewise, we will disclose to you concepts and developments of other franchisees that we make part of the System You must also assist us in obtaining intellectual property rights in any concept or development if requested

Your use of the Operations Manual, trade secrets or other confidential information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement Further information about termination of the Franchise Agreement following a default is included in Item 17

ITEM 19 FINANCIAL PERFORMANCE PRESENTATIONS

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

HISTORIC FINANCIAL PERFORMANCE REPRESENTATION

The following represents the Profit and Loss Statement of our Affiliate location in Koloa, Hawaii, including its Total Revenue, Gross Profit, Net Profit, Expenses that Franchisee will likely not incur in the operation of a Waikomo Shave Ice Franchised Business (Trailer Model), and the Adjusted Net Profit for the fiscal year 2018 One out of one outlet, or 100%, achieved or surpassed these results Our Affiliate, for which the financial performance representations are provided, is substantially identical to the Trailer Model Franchised Waikomo Shave Ice concept being offered to you

In the below chart, Total Revenue represents total sales minus any refunds

Gross Profit represents gross sales minus cost of goods sold

Net Profit represents gross profit minus all ordinary and recurring operating expenses, interest, income taxes, depreciation and amortization

Adjusted Net Profit represents the historic Net Profit shown, plus expenses franchisee will likely not incur in the operation of a Trailer Model Waikomo Shave Ice Franchised Business, minus franchisee expenses as outlined in Item 6 The only material financial and operational differences between this Affiliate owned outlet and a Trailer Model Franchised outlet is the length of time the Affiliate outlet has been open, certain operational expenses as outlined in the chart below and added back to the Net Profit to calculate the Adjusted Net Profit, and the Royalty fees and advertising fees the Trailer Model Franchised outlet will incur, shown in the chart below as additional expenses and reduced from the Adjusted Net Profit

This financial performance representation is only for a Trailer Model Franchised Business No financial performance representation is being made for any other Model

Some outlets have earned this amount Your individual results may differ. There is no assurance that you will earn as much.

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

Other than the preceding financial performance representation, Locococo Hawaii Franchise, LLC does not make any financial performance representations We also do not authorize our employees or representatives to make such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting us at Thomas Oliver at 5174 Hoona Road, Koloa, Hawaii 96756, and 808-319-1692, the Federal Trade Commission, and any appropriate state regulatory agencies

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2016 TO 2018

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2016	0	0	0
	2017	0	0	0
	2018	0	0	0
Company-Owned*	2016	1	1	0
	2017	1	1	0
	2018	1	1	0
Total Outlets	2016	1	1	0
	2017	1	1	0
	2018	1	1	0

*Company-Owned refers to outlets run by our Affiliate, T's Bees, LLC

TABLE 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
FOR YEARS 2016 TO 2018

State	Year	Number of Transfers
All States	2016	0
	2017	0
	2018	0
Total	2016	0
	2017	0
	2018	0

TABLE 3

in addition to any required System modifications, as described in Section 10 2 If Franchisee is purchasing a Truck or Trailer Model franchised business, Franchisee shall maintain the

13 3 Ownership and Management

The Franchised Business shall, at all times, be under the direct supervision of Franchisee or its approved manager Franchisee and/or its manager shall devote sufficient efforts to the management of the day-to-day operation of the Franchised Business, but not less than forty (40) hours per week, not excluding vacation, sick leave and similar absences Franchisee shall keep Franchisor informed, in writing, at all times of the identity of its manager Franchisee must not engage in any business or other activities that will conflict with its obligations under this Agreement

13.4 Days of Operation

Franchisee shall keep the Franchised Business open for business during normal business hours on the days specified in the Operations Manual

13.5 Contributions and Donations

In order to protect the Marks, Franchisee must obtain Franchisor's prior written consent before making any contributions or donations of items, services or funds to any individual or entity, or provide any type of other benefit to any charitable, religious, political, social, civic or other type of organization (or to any individual on behalf of any organization) Franchisor may withhold any such consent in its sole and absolute discretion

13.6 Licenses and Permits

Franchisee shall secure and maintain in force all required operational and professional licenses, permits and certificates necessary for the operation of the Franchised Business, including all zoning and local permits necessary to operate the Franchised Business from the principal residence of Franchisee or its Owner Operator, and shall operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations Franchisor makes no representation to Franchisee with regard to any legal requirements that Franchisee must satisfy or comply with in connection with the operation of the Franchised Business Franchisee shall be solely responsible for investigating and complying with all such laws, ordinances and regulations with regard to the operation of the Franchised Business

13 7 Notification of Proceedings

Franchisee shall notify Franchisor in writing of the commencement of any action, suit or proceeding involving Franchisee or the Franchised Business, and of the issuance of any order, writ, injunction, judgment, award or decree which may affect the operation or financial condition of the Franchised Business not more than five (5) days after notice of such commencement or issuance Franchisee shall deliver to Franchisor not more than five (5) days after Franchisee's receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects Franchisee's failure to meet and maintain the highest applicable rating or Franchisee's noncompliance or less than full compliance with any applicable law, rule or regulation

13 8 Compliance with Good Business Practices

Franchisee acknowledges that the quality of customer service, and every detail of appearance and demeanor of Franchisee and its employees, is material to this Agreement and the relationship created and

LOCOCOCO HAWAII FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (this "Agreement") is made this day of _____ _____, 20__ by and between Locococo Hawaii Franchise, LLC, a Hawaii limited liability company with its principal business located at 5174 Hoona Road, Koloa, Hawaii 96756 ("we" or "us") and _____ _____, a(n) _____ _____ _____whose principal business address is ("developer" or "you") If the developer is a corporation, partnership or limited liability company, certain provisions of the Agreement also apply to your owners and will be noted

RECITALS

A We have developed, and are in the process of further developing, a System identified by the service mark "Waikomo Shave Ice" and relating to the establishment and operation of a unique shaved ice dessert store, mobile trailer, or mobile truck proprietary service system,

B Many of the services and products are prepared and undertaken according to specified procedures or made with proprietary formulas, techniques and mixes,

C We own the rights to the USPTO Mark "Waikomo Shave Ice" Trademark and other trademarks used in connection with the Operation of a Waikomo Shave Ice Business,

D We have decided to sublicense the right to develop and operate Waikomo Shave Ice Locations,

E You desire to develop and operate several Waikomo Shave Ice locations and we, in reliance on your representations, have approved your franchise application to do so in accordance with this Agreement

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows

DEFINITIONS

1 For purposes of this Agreement, the terms below have the following definitions

A "Locations" means the Waikomo Shave Ice locations you develop and operate pursuant to this Agreement

B "Products" means the specific services and products set forth in our franchise information packet, or as we may modify, add, or change them from time to time

C "Principal Owner" means any person who directly or indirectly owns a 10% or greater interest in the developer when the developer is a corporation, limited liability company, a partnership, or a similar entity However, if we are entering into this Agreement totally or partially based on the financial qualifications, experience, skills or managerial qualifications of any person or entity who directly or indirectly owns less than a 10% interest in the developer, that person or entity may, in our sole discretion, be considered a Principal Owner for all purposes under this Agreement, including, but not limited to, the execution of the personal guaranty referenced in Section 10 G below In addition, if the developer is a partnership entity, then each general partner is a Principal Owner, regardless of the percentage ownership interest If the developer is one or more individuals, each individual is a Principal Owner of the developer You must have at least one Principal Owner

LOCOCOCO HAWAII FRANCHISE, LLC

Financial Statements

December 31, 2018

(With Independent Auditors'
Report Thereon)

SMITH, BUZZI & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS
9425 SUNSET DRIVE, SUITE 180
MIAMI, FLORIDA 33173
TEL (305) 598-6701
FAX (305) 598-6716

JULIO M BUZZI C.P A.
JOSE E SMITH C P A.

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of
LocoCoco Hawaii Franchise, LLC

Report on the Financial Statements

We have audited the accompanying financial statements of LocoCoco Hawaii Franchise, LLC , which comprise the balance sheet as of December 31, 2018 and the related statements of operations and members' equity and cash flows for the period from April 11, 2018 to December 31, 2018 and the related notes to the financial statements

Management's Responsibility 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, this includes 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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit We conducted our audit in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LocoCoco Hawaii Franchise, LLC , as of December 31, 2018 and the results of its operations and its cash flows for the period from April 11, 2018 to December 31, 2018 in conformity with accounting principles generally accepted in the United States of America

Smith, Buzzi & Associates LLC

Miami, Florida
February 13, 2019

LOCOCOCO HAWAII FRANCHISE, LLC

Balance Sheet

December 31, 2018

Assets	
Cash	$ 101,098
Organization Costs	48,902
Total assets	$ 150,000
Liabilities and Members' Equity	
Liabilities	$ -
Members' Equity	150,000
Total Members' Equity	150,000
Total Liabilities and Members' Equity	$ 150,000

See accompanying notes to financial statements

LOCOCOCO HAWAII FRANCHISE, LLC

Statement of Operations and Members' Equity

For the Period from April 11, 2018 to December 31, 2018

Revenues	
Franchise revenues and sales	$ -
Franchisee location royalties	-
Total revenues	-
Interest income	-
Total operating income	-
Expenses	
Salaries and payroll taxes	-
Marketing and advertising	-
Professional fees	-
Bank and other fees	-
Franchise renewal fees	-
Office expenses	-
Travel and entertainment	-
Commissions	-
Total expenses	-
Net income (loss)	-
Contributions	150,000
Members' Equity, beginning of period	-
Members' Equity, end of period	$ 150,000

LOCOCOCO HAWAII FRANCHISE, LLC

Statement of Cash Flows

For the Period from April 11, 2018 to December 31, 2018

Cash flows from operating activities	
Net income (loss)	$ -
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	-
Organization Costs	(48,902)
Net cash used by operating activities	(48,902)
Cash flows from financing activities	
Contributions from members	150,000
Net cash provided by financing activities	150,000
Net increase in cash and cash equivalents	101,098
Cash and cash equivalents, beginning of period	-
Cash and cash equivalents, end of period	$ 101,098
Supplementary disclosure of cash flow information	
Cash paid during the period for	
Interest	$ -
Income taxes	$ -
Non cash transactions	
Contribution of franchise agreements from members	$ -

See accompanying notes to financial statements

LOCOCOCO HAWAII FRANCHISE, LLC

Notes to Financial Statements

December 31, 2018

1 ***Summary of Significant Accounting Policies***

LocoCoco Hawaii Franchise, LLC ("Company") was formed in the State of Hawaii in March 2018 The principal purpose of the Company is to offer and sell franchises that provide shaved ice stands with syrups made from natural fruit pureed, organic sugar and fresh honey made from their own honey combs

a) ***Method of Accounting***

Assets and liabilities and revenue and expenses are recognized on the accrual basis of accounting

b) ***Property and Equipment***

Property and equipment will be stated at cost Depreciation will be computed using the straight line method of depreciation over the estimated useful life of the assets, which are 5 years

For federal income tax purposes, depreciation will be computed using the appropriate accelerated methods allowed for tax purposes

Expenditures for major renewals and betterments that extend the useful lives of property and equipment will be capitalized Expenditures for maintenance and repairs will be charged to expense as incurred

c) ***Franchise Revenues***

Income will principally be comprised of revenues earned by the Company as part of the franchise sales to customers Additional revenues earned by the Company are expected from the sales of marketing materials and other services to the franchisees and royalties

The Company recognizes its franchise revenues in accordance with Statement of Financial Accounting Standards No 45, which requires that franchise fees from area franchise sales be recognized, net of an allowance for uncollectible amounts, only when all material services or conditions relating to the sale have been substantially performed or satisfied by the franchisor Generally, these services include training, support in approving franchisee's site selection and delivery of franchisee's initial inventory for use in the operations of the franchise

1 ***Summary of Significant Accounting Policies*** **- *(Cont)***

d) *Accounts Receivable*

Trade accounts receivable will consist of amounts due for franchise sales, will be carried at their estimated collectible amounts and trade credit will be generally extended on a short-term basis, thus trade receivables do not bear interest Trade accounts receivable are to be periodically evaluated for collectibility based on past credit history with customers and their current financial condition

The Company will use the reserve method of accounting for bad debts for financial reporting purposes and the direct write-off method for income tax purposes Trade accounts receivable are charged against the allowance account when such receivables are deemed to be uncollectible Management considers all unreserved accounts receivable to be collectible As of December 31, 2018, a total of $0 in accounts were reserved

e) *Income Taxes*

The Company filed an election with the Internal Revenue service to be treated as a Limited Liability Corporation (LLC") for all its taxable years An LLC is not subject to corporate income tax The Company's taxable income or loss and tax credits pass through to the members

The Company follows the provisions of Accounting Standards Codification 740-10, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements, and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return It also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in the financial statements The evaluation was performed for the tax year ended December 31, 2018, the tax year which remains subject to examination by major tax jurisdictions as of December 31, 2018

1 ***Summary of Significant Accounting Policies*** **- *(Cont)***

f) *Cash Flows*

For purposes of the statement of cash flows, cash equivalents consist of cash on hand and in banks

g) *Pervasiveness of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

Making estimates requires management to exercise significant judgment It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the balance sheet, which management considered in formulating its estimate could change in the near term due to one or more future confirming events Accordingly, the actual results could differ significantly from estimates

h) *Long-Lived Assets*

The Company reviews the carrying value of its long lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable No adjustment has been provided for in the financial statements

i) *Concentrations and Uncertainties*

Financial instruments which subject the Company to concentrations of credit risk include cash and cash equivalents The Company maintains its cash in well-known financial institutions selected based upon management's assessment of the financial institution's financial stability

1 *Summary of Significant Accounting Policies* - *(Cont)*

j) *Fair Value*

The Company follows ASC 820-10, "Fair Value Measurements" ASC 820-10 provides a definition of fair value, establishes a framework for measuring fair value under Generally Accepted Accounting Principles ("GAAP") and requires expanded disclosure about fair value measurements The standard applies when GAAP requires or allows assets or liabilities to be measured at fair value and, therefore, does not expand the use of fair value in any new circumstance The fair value of financial instruments to be classified as assets or liabilities including cash and trademarks approximate carrying value, principally because of the short maturity of those items

2 *Franchisee Supplies*

Franchisee's purchase the initial and on-going inventory needed for the operation of their business directly from the Company The Company is expected to maintain sufficient inventory for all products offered, for immediate delivery to new and existing franchisees The Company is scheduled to start offering franchises in February 2019 Franchisee related inventory or supplies were not considered at the time of this audit

3 *Accounts Receivable*

At December 31, 2018, the Company is owed $0 from the sale of franchises Management constantly evaluates balances due for assessing collectability

4 *Property and Equipment*

Property and equipment at December 31, 2018, consists of the following

Computer	$ -
Office furniture and equipment	-
	-
Less accumulated depreciation	-
	$ -

Depreciation expense for the period ended on December 31, 2018 amounted to $0

5 Franchise Sales and Agreements

The Company is scheduled to start offering franchises in February of 2019 As of December 31, 2018, since Company has not started selling franchises, no franchises have been recorded as sold

The Company will enter into franchise agreements with its franchisees Company's franchise agreements require the Company to provide various items to franchisees including, but not limited to, marketing and operational support

6 Subsequent Events

Management has evaluated subsequent events through February 13, 2019, the date at which the financial statements were available for issue and does not believe that there are any subsequent events that require adjustment or disclosure in the accompanying financial statements

CALIFORNIA ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the California Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control

The "Risk Factors" on the second page of the Disclosure Document are amended to also include the following

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT

Item 3 of the Disclosure Document is amended by adding the following paragraph

Neither we nor any person or franchise broker in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U S C A 78a et seq , suspending or expelling these persons from membership in this association or exchange

Item 17 of the Disclosure Document is amended by adding the following paragraphs

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise If the franchise agreement contains a provision that is inconsistent with the law, the law will control

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise This provision may not be enforceable under California law

The franchise agreement requires binding arbitration The arbitration will occur at Kauai County, Hawaii, with the costs being borne according to the Rules for Commercial Arbitration of the American Arbitration Association Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF CORPORATIONS BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT

YOU MUST SIGN A GENERAL RELEASE OF CLAIM IF YOU RENEW OR TRANSFER YOUR FRANCHISE CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CODE §§31000 THROUGH 31516) BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043)

Our website is located at www waikomoice com

EXHIBIT J TO THE DISCLOSURE DOCUMENT
RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language Read this Disclosure Document and all agreements carefully

If Locococo Hawaii Franchise, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship

If Locococo Hawaii Franchise, LLC 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and the State Administrator listed in Exhibit A

The franchisor is Locococo Hawaii Franchise, LLC, located at 5174 Hoona Road, Koloa, Hawaii 96756 Its telephone number is 808-319-1692

The following is the name, principal business address, and telephone number of the franchise seller offering the franchise

X Thomas Oliver, 5174 Hoona Road, Koloa, Hawaii 96756, 808-319-1692
X Lazaro Lopez, Franchise Creator, 8725 NW 18th Terrace, Suite 306, Miami, FL 33172, (305) 592-9229

Date of Issuance March 1, 2019
We authorize the respective state agencies identified on Exhibit B to receive service of process for us in the particular state

I have received a Franchise Disclosure Document dated March 1, 2019 including the following exhibits on the date listed below

- A List of State Administrators
- B State Agents for Service of Process
- C Franchise Agreement
  - Schedule 1-General Release
  - Schedule 2-Nondisclosure and Non-Competition
  - Schedule 3-Unlimited Guaranty and Assumption of Obligations
  - Schedule 4-Collateral Assignment of Lease
  - Schedule 5-ACH Payment Agreement
  - Schedule 6-Holders of Legal or Beneficial Interest in Franchisee Officers, Directors

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language Read this Disclosure Document and all agreements carefully

If Locococo Hawaii Franchise, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship

If Locococo Hawaii Franchise, LLC 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and the State Administrator listed in Exhibit A

The franchisor is Locococo Hawaii Franchise, LLC, located at 5174 Hoona Road, Koloa, Hawaii 96756 Its telephone number is 808-319-1692

The following is the name, principal business address, and telephone number of the franchise seller offering the franchise

X Thomas Oliver, 5174 Hoona Road, Koloa, Hawaii 96756, 808-319-1692
X Lazaro Lopez, Franchise Creator, 8725 NW 18th Terrace, Suite 306, Miami, FL 33172, (305) 592-9229

Date of Issuance March 1, 2019
We authorize the respective state agencies identified on Exhibit B to receive service of process for us in the particular state

I have received a Franchise Disclosure Document dated March 1, 2019 including the following exhibits on the date listed below

A List of State Administrators
B State Agents for Service of Process
C Franchise Agreement
    Schedule 1-General Release
    Schedule 2-Nondisclosure and Non-Competition
    Schedule 3-Unlimited Guaranty and Assumption of Obligations
    Schedule 4-Collateral Assignment of Lease
    Schedule 5-ACH Payment Agreement
    Schedule 6-Holders of Legal or Beneficial Interest in Franchisee Officers, Directors
    Schedule 7-State Addenda to the Franchise Agreement