

FRANCHISE DISCLOSURE DOCUMENT 1-800-Flowers.Com Franchise Co., Inc. A Delaware Corporation One Old Country Road, Fifth Floor Carle Place, New York 11514 (516) 237-6000 www.1800flowers.com

1-800-flowers.com

1-800-Flowers.Com Franchise Co., Inc. offers franchises for retail flower shops offering flowers, plants, fresh fruit products, including fresh cut fruit arrangements and related products (collectively the fresh fruit products, fresh cut fruit arrangements and related products are referred to as "Fruit Bouquets"), gift items and related products and services to the general public.

We offer four franchise programs:

The total investment necessary to begin operation of a <u>conventional</u> franchised business is \$201,500 to \$478,449.99. This includes \$30,500 to \$38,199.99 that must be paid to the franchisor and/or its affiliate. The total investment necessary to begin operation of an <u>express</u> franchised business is \$101,500 to \$179,449.99. This includes \$30,500 to \$38,199.99 that must be paid to the franchisor and/or its affiliate. The total investment necessary to begin operation of a <u>development</u> franchised business (including a separate Design Center Facility) is \$346,000 to \$993,449.99. This includes \$45,500 to \$53,199.99 per franchised unit that must be paid to the franchisor and/or its affiliate. The total investment necessary to begin operation of the <u>Fruit Bouquets program</u> is from \$28,600 to \$59,850. This includes \$10,600 to \$11,600 that must be paid to the franchisor and/or its affiliate, as appropriate. If you purchase a development franchise, you must obtain and maintain a separate Design Center Facility in the Development Area where you will process and prepare floral products for sale at your Satellite Franchised Units and where you will provide event planning services for your customers. You must open the Design Center Facility at the same time you open your first Satellite Franchised Unit.

This disclosure document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the 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 payments to the 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 for you. To discuss the availability of disclosures in different formats, contact our Vice President - Retail & Franchising, Benjamin T. Marlowe, One Old Country Road, Fifth Floor Carle Place, New York 11514, (516) 237-6000.



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 accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. Information about comparisons of franchisors is available. More information on franchising, such as "A Consumer's Guide to Buying a Franchise", which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information.

There may also be laws on franchising in your state. Call your state agency listed on Exhibit A or visit your public library for other sources of information on franchising.

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STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF THIS FRANCHISE WITH A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed on <u>Exhibit A</u> for information about the franchisor, or about franchising in your state. If you learn that anything in this disclosure document is untrue, contact the Federal Trade Commission and the state administrators listed on <u>Exhibit A</u>.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN THE STATE OF NEW YORK. LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN NEW YORK THAN IN YOUR HOME STATE.

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

3. WE WILL DEFER THE PAYMENT OF THE INITIAL FRANCHISE FEE, DEVELOPMENT FEE AND ANY OTHER INITIAL PAYMENT UNTIL YOU OPEN YOUR BUSINESS AND IT IS OPERATING. HOWEVER YOU MUST EXECUTE THE FRANCHISE AGREEMENT PRIOR TO LOOKING FOR A SITE OR BEGINNING TRAINING.

4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more franchise brokers or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

> Effective Date: _____ FOR USE ONLY IN THE STATE OF HAWAII

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