

FRANCHISE DISCLOSURE DOCUMENT



Bean International Group, LLC
27423 Ynez Road #102
Temecula, CA 92591
(310) 984-4122
Bill@BeanInternationalGroup.com
www.BeanInternationalGroup.com

You will operate one of our three models. You will operate a Coffee Lounge at a retail site, a Mobile Business using a Coffee Truck or a Kiosk known as Bean Coffee Roasters® which will include a variety of coffee beverages, coffee beans, related food items and other related products to the general public. We also grant to qualified franchisees the right to develop multiple Coffee Lounges, Mobile Businesses or Kiosks under a Multi-Unit Agreement.

The total investment necessary to begin operation of a single Coffee Lounge range is from \$246,500 to \$461,500. This includes the Initial Franchise Fee of \$40,000 that must be paid to us. The total investment necessary to begin operation under a Multi-Unit Agreement ranges from \$319,000 to \$639,000. This includes the Multi-Unit Fee of \$72,500 to \$177,500 that must be paid to us.

The total investment necessary to begin operation of a single Mobile Business range is from \$161,800 to \$265,000. This includes the Initial Franchise Fee of \$30,000 that must be paid to us. The total investment necessary to begin operation under a Multi-Unit Agreement ranges from \$214,300 to \$392,500. This includes the Multi-Unit Fee of \$52,500 to \$127,500 that must be paid to us.

The total investment necessary to begin operation of a single Kiosk range is from \$197,700 to \$390,700. This includes the Initial Franchise Fee of \$40,000 that must be paid to us. The total investment necessary to begin operation under a Multi-Unit Agreement ranges from \$270,200 to \$568,200. This includes the Multi-Unit Fee of \$72,500 to \$177,500 that must be paid to us.

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 or grant. **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 William C. Kneebusch, Bill@BeanInternationalGroup.com, 27423 Ynez Road #102, Temecula, CA 92591, (310) 984-4122.

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as *"A Consumer's Guide to Buying a Franchise,"* which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Date of Issuance: March 22, 2017

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 A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit H for information about the franchisor or about franchising in your state.

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 OR ARBITRATION IN THE STATE OF CALIFORNIA. OUT-OF-STATE LITIGATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE OR ARBITRATE IN CALIFORNIA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA 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. THE FRANCHISOR HAS BEEN OFFERING FRANCHISES FOR A SHORT PERIOD OF TIME. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.
4. 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.
5. YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTEE MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT. THE GUARANTEE WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may 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 make sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

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

The Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

STATES	EFFECTIVE DATE
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

This Disclosure Document is exempt from the following states having business opportunities laws, with the following effective dates

STATES	EFFECTIVE DATE
Florida	
Kentucky (one-time filing)	
Nebraska (one-time filing)	
Texas (one-time filing)	
Utah	

In all other states, the effect date of this Disclosure Document is the issuance date of March 22, 2017

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