

FRANCHISE DISCLOSURE DOCUMENT

BEN'S SOFT PRETZELS FRANCHISING CORPORATION

an Indiana corporation
1202 W. Pike Street
Goshen, Indiana 46526
(574) 970-2188
scott@benspretzels.com
www.benspretzels.com

BEN'S SOFT PRETZELS®

As a franchisee, you will operate a BEN'S SOFT PRETZELS store.

The total investment necessary to begin operation of a BEN'S SOFT PRETZELS store is ~~\$119,000~~ \$118,500 to ~~\$308,332~~,000. This includes ~~\$6047,000~~ to \$65,000 that must be paid to the franchisor.

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 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 Scott A. Jones at Ben's Soft Pretzels Franchising Corporation, 1202 W. Pike Street, Goshen, Indiana 46526 (574) 970-2188.

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 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. 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.

Issuance Date: ~~April 20, 2015~~ May 9, 2016 as amended ~~October 14, 2015~~ July 11, 2016.

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 A 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 ARBITRATION/LITIGATION ONLY IN INDIANA. OUT-OF-STATE ARBITRATION/LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE/LITIGATE WITH US IN INDIANA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT INDIANA 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. IF A PROSPECTIVE FRANCHISEE IS MARRIED, HIS/HER SPOUSE MUST SIGN (THUS, GUARANTEE) THE FRANCHISE AGREEMENT.
4. IF A PROSPECTIVE FRANCHISEE IS A BUSINESS ENTITY, ALL OF ITS OWNERS AND THEIR SPOUSES MUST GUARANTEE THE OBLIGATIONS IN THE FRANCHISE AGREEMENT.
5. THE FRANCHISOR HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME, SINCE NOVEMBER, 1, 2012. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.
6. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$119,000 TO \$308,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, ~~2014~~2015, WHICH IS ~~\$227,071~~202,517.
7. 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: 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.

This 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:

	Illinois	April 22, 2015 as amended October 21, 2015 <u>June 29, 2016</u>
	Indiana	April 24, 2015 _____, 2016
	Michigan	January 30, 2015 <u>2016</u>
	Minnesota	April 24, 2015 as amended October 26, 2015 _____, 2016
	New York	October 14, 2015 _____, 2016
	Wisconsin	March 4, 2015 as amended October 20, 2015 <u>July 14, 2016</u>

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of ~~April 20, 2015~~May 9, 2016 as amended ~~October 14, 2015~~July 11, 2016.

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