

**BREADSMITH**
HAND MADE. HEARTH BAKED.

FRANCHISE DISCLOSURE DOCUMENT

Breadsmith Franchising, Inc.
(a Wisconsin corporation)
409 East Silver Spring Drive
Whitefish Bay, Wisconsin 53217
(414) 962-1965
www.breadsmith.com

The Franchise offered is for the operation of a retail and wholesale business that offers a wide assortment of premium quality hearth baked breads, hearth baked products, food products, and complementary items.

The total investment necessary to begin operation of a Breadsmith primary franchise store is \$284,000 to \$385,500. This includes \$100,000 to 120,000 that must be paid to the franchisor or affiliate. An additional investment of \$115,500 to \$183,500 is necessary if a satellite location is opened in connection with the primary store. This includes \$5,000 that 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, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

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, 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.

Issued: March 24, 2014

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 PERMITS THE FRANCHISEE TO LITIGATE WITH THE FRANCHISOR ONLY IN WISCONSIN. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST MORE TO LITIGATE WITH US IN WISCONSIN THAN IN YOUR HOME STATE.**
- (2) THE FRANCHISE AGREEMENT STATES THAT WISCONSIN LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
- (3) THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

State Effective Dates: The following chart lists states that require Disclosure Document to be registered or filed with the state or to be exempt from registration to offer or sell franchises within the state. In these states, the effective date of the Disclosure Document is as follows:

California	Hawaii	Not effective
Illinois	Indiana	
Maryland	Michigan	
Minnesota	New York	
North Dakota	Rhode Island	Not effective
South Dakota	Virginia	
Washington	Wisconsin	

In all other states, the effective date of this Disclosure Document is the issuance date of March 24, 2014.

Some states listed above require that we give you additional disclosures. The additional required disclosures for these states are as addenda to this Disclosure Document.

BREADSMITH FRANCHISING, INC.

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EXHIBITS:

- A. LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS
- B. TABLES OF CONTENTS OF MANUALS
- C. LIST OF FRANCHISES
- D. FINANCIAL STATEMENTS
- E. FRANCHISE AGREEMENT AND OTHER AGREEMENTS

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