

## FRANCHISE DISCLOSURE DOCUMENT



Bruegger's Franchise Corporation  
A Delaware Corporation  
12201 Merit Drive, Suite 900  
Dallas, TX 75251  
(214) 696-6962  
[www.brueggers.com](http://www.brueggers.com)

Bruegger's Franchise Corporation franchises offer fresh bakery bagels, baked goods, coffee, cream cheese, sandwiches, soups, salads and other food and beverage items to the public for carry-out and/or consumption on the premises. A Bruegger's Bakery is a full-size Bakery (with seating capacity and on-site baking facilities).

The total investment necessary to begin operation of a Bruegger's Bakery is \$651,000 to \$1,140,000 excluding real estate costs and landlord allowances (See Item 7). This includes an initial franchise fee of \$30,000 that is payable to us.

All franchisees must first sign a Development Agreement under which the franchisee has the right and obligation to develop a specified number of outlets. The total investment necessary for the Development Agreement, assuming that the agreement covers 1 to 5 outlets, is \$10,000 to \$40,000. All of this amount is payable 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 us or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this Disclosure 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 Sheryl Fox, our Senior Director of Business Development at the address and telephone number listed above.

The terms of your written contracts (i.e. your Development Agreement and Franchise Agreements) will govern your franchise relationship. Do not 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](http://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: April 20, 2016, as amended May 26, 2016

Bruegger's FDD - 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 franchises 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 AND DEVELOPMENT AGREEMENT PERMIT YOU TO LITIGATE WITH US ONLY IN THE FRANCHISOR'S STATE OF ITS PRINCIPAL PLACE OF BUSINESS (CURRENTLY TEXAS). OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR A DISPUTE. IT MAY ALSO COST YOU MORE TO LITIGATE WITH THE FRANCHISOR IN TEXAS THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATE THAT THE LAW OF THE FRANCHISOR'S HOME STATE (CURRENTLY TEXAS) GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR HOME STATE LAW. YOU MAY WANT TO COMPARE THESE LAWS. EVEN THOUGH THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT PROVIDE THAT TEXAS LAW APPLIES, LOCAL LAW MAY SUPERSEDE IT IN YOUR STATE. PLEASE REFER TO THE STATE ADDENDA TO THE DISCLOSURE DOCUMENT FOR DETAILS.
3. THE FRANCHISOR HAS THE RIGHT TO SET MAXIMUM AND MINIMUM PRICES THAT FRANCHISEES MUST FOLLOW FOR MENU ITEMS, MERCHANDISE AND OTHER PRODUCTS AND SERVICES THAT YOU SELL. THIS REQUIREMENT MAY REDUCE YOUR ANTICIPATED REVENUE AND NET INCOME.
4. IF YOU RESIDE IN A COMMUNITY PROPERTY STATE, YOUR SPOUSE MAY BE REQUIRED TO SIGN A PERSONAL GUARANTY AND OTHER DOCUMENTS MAKING HIM OR HER JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT, WHICH WOULD PLACE YOUR SPOUSE'S PERSONAL ASSETS AT RISK.
5. THE ESTIMATED INITIAL INVESTMENT FOR A FRANCHISE RANGES FROM \$651,000 TO \$1,140,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 29, 2015, WHICH WAS \$616,171.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

**See the following page for the effective date of this disclosure document in states with filing requirements.**

### 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:

STATE	EFFECTIVE DATE
CALIFORNIA	June 2, 2016
HAWAII	
ILLINOIS	
INDIANA	
MARYLAND	
MICHIGAN	June 1, 2016
MINNESOTA	
NEW YORK	
NORTH DAKOTA	
RHODE ISLAND	
SOUTH DAKOTA	
VIRGINIA	
WASHINGTON	
WISCONSIN	

In all other states, the effective date of this Franchise Disclosure Document is the Issuance Date.

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