

FRANCHISE DISCLOSURE DOCUMENT
Mobile Unit Business



Cafe2U Inc
a Delaware corporation
1065 SE Paiute Way, Suite 120
Bend, Oregon 97702
Tel 541-389-3013 or 1-855-5-cafe2u
www.cafe2u.com

We grant franchises for mobile retail establishments that offer hot and cold beverages and snack foods

The total investment necessary to begin operation of a Café2U franchise ranges from \$109,146 to \$154,621. This includes \$77,871 to \$104,071 that must be paid to the franchisor or affiliate for a franchise.

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.**

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 Bundy, President, 1065 SE Paiute Way, Suite 120, Bend, Oregon 97702 at 541-389-3013 or 1-855-5-cafe2u.

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.

The Issuance Date is October 24, 2012.

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.

Risk Factors

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US (WITH LIMITED EXCEPTIONS) FIRST BY NON-BINDING MEDIATION AT OUR HEADQUARTERS UNLESS WE MUTUALLY AGREE TO ANOTHER LOCATION. IF WE DO NOT RESOLVE THE DISPUTE THROUGH MEDIATION, THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE THE DISPUTE THROUGH LITIGATION ONLY IN THE STATE OR FEDERAL COURTS LOCATED CLOSEST TO OUR HEADQUARTERS. PRESENTLY, OUR HEADQUARTERS ARE IN BEND, OREGON. WE MAY CHANGE THE LOCATION OF OUR HEADQUARTERS AT ANY TIME. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN OREGON THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT THE AGREEMENT IS GOVERNED BY THE LAWS OF THE STATE WHERE WE HAVE OUR PRINCIPAL PLACE OF BUSINESS AT THE TIME THE ACTION IS COMMENCED (CURRENTLY OREGON), AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. YOU WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$109,146 TO \$154,121. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF THE END OF THE FRANCHISOR'S LAST FISCAL YEAR (JUNE 30, 2012), WHICH IS REPORTED TO BE A DEFICIT OF \$1,483,959.
4. YOUR SPOUSE MUST SIGN A SPOUSAL CONSENT WHICH PLACES THE SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK.
5. 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 be sure to do your own investigation of the franchise.

Effective Date See the next page for state effective dates.

STATE EFFECTIVE DATES

This 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	Not Applicable
Illinois	
Indiana	Not Applicable
Maryland	
Michigan	Not Applicable
Minnesota	
New York	
North Dakota	Not Applicable
Rhode Island	Not Applicable
South Dakota	
Virginia	
Washington	
Wisconsin	Not Applicable

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

STATES	EFFECTIVE DATE
Florida	February 14, 2012
Kentucky (one-time filing)	
Nebraska (one-time filing)	
Texas (one-time filing)	February 14, 2011
Utah	July 27, 2012

In all other states, the effective date of this Disclosure Document is the issuance date of October 24, 2012

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