

## FRANCHISE DISCLOSURE DOCUMENT

**CAFFEBENE INC.**  
**a New York Corporation**  
**1430 Broadway, Suite 1503**  
**New York, NY 10018**  
**(201) 575-5484**  
**us.info@caffebene.co.kr**  
**www.caffebene.com**



The franchisor is Caffebene Inc. (“Caffebene”, “franchisor”, “we”, or “us”). We offer franchise and area development agreements for Caffebene Stores. Caffebene Stores utilize a proprietary, distinctive interior and exterior store designs and layouts. Caffebene Stores operate with a uniform business format, and provide for the sale of products that include coffee, gelato, waffles, gourmet sandwiches, and a variety of other products within a distinctive customer service oriented environment.

Your total investment necessary to begin operation of a Caffebene Store franchised business is \$414,500 to \$899,600. (See Item 7). This includes \$149,000 to \$230,000 which must be paid to us or our affiliates, including 1) \$35,000 for your initial franchise fee, 2) \$9,000 to \$20,000 for your initial inventory of products, ingredients, equipment, supplies, uniforms, branded materials, and signs; 3) \$75,000 to \$125,000 for your initial equipment, and 4) \$30,000 to \$50,000 for your initial furniture and fixtures. If you sign a Multi-Unit Addendum for multi-unit development, you must pay us \$35,000 times the number of units. (See Items 1, 5 and 7). If you sign an Area Developer Agreement to become an Area Developer in an area, your total investment necessary is \$505,000 to \$3,019,500. (See Items 1, 5 and 7).

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 Mr. Chris Yun, 1430 Broadway, Suite 1503, New York, NY 10018 or at us.info@caffebene.co.kr or (201) 575-5484.

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](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.

The issuance date of this disclosure document is April 16, 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 SPECIAL RISK FACTORS before you buy this franchise:

THE FRANCHISE AGREEMENT AND OTHER AGREEMENTS REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION, AND/OR JUDICIAL PROCEEDINGS ONLY IN NEW YORK STATE. OUT-OF-STATE MEDIATION, ARBITRATION, AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE, AND LITIGATE WITH US IN NEW YORK THAN IN YOUR OWN STATE.

THE FRANCHISE AGREEMENT AND OTHER AGREEMENTS STATE THAT NEW YORK LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE OR LOCAL LAWS. YOU MAY WANT TO COMPARE THESE LAWS.

IF YOU ARE AN AREA DEVELOPER, YOU MUST PURCHASE INVENTORY FROM US OR OUR AFFILIATE OF AT LEAST \$20,000 PER STORE, PER YEAR, EVEN IF YOU DO NOT NEED THAT MUCH, AND EVEN IF A LESS EXPENSIVE SUPPLIER IS AVAILABLE. THE FRANCHISOR MAY TERMINATE YOUR FRANCHISE IF YOU DON'T.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

The effective dates of this disclosure document in the states with franchise registration laws in which we have sought registration or exemption appear on the following page.

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