

FRANCHISE DISCLOSURE DOCUMENT



CANDY EXPRESS FRANCHISING, INC.
3320 Green Castle Road
Burtonsville, Maryland 20866
(301) 384-5889
Mrosenberg700@verizon.net
www.candyexpress.com

As a CANDY EXPRESS franchisee, you will operate a retail store that sells pre-packaged and bulk candy, confections, gifts, and related items. As a COCO MOKA CAFE franchisee, your store will sell gourmet coffee, soups, salads, sandwiches, ice cream, desserts and pastries.

The total investment necessary to begin operation of a CANDY EXPRESS franchised business is \$142,556 to \$385,080. This includes \$30,000 that must be paid to the franchisor or its affiliate. The total investment necessary to begin operation of a COCO MOKA CAFÉ franchised business is \$152,850 to \$499,400. This includes \$33,000 to \$40,000 that must be paid to the franchisor or its 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 government agency has verified the information contained in the 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 Michael Rosenberg, Candy Express Franchising, Inc., 3320 Green Castle Road, Burtonsville, Maryland 20866, Telephone: (301) 384-5889.

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 to an advisor like a lawyer or 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 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.

Date of Issue of this Franchise Disclosure Document: July 31, 2013

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.

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 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 INITIALLY RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN MARYLAND. IT MAY COST MORE TO ARBITRATE WITH US IN MARYLAND THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT PERMITS YOU TO SUE US ONLY IN MARYLAND. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE US IN MARYLAND THAN IN YOUR HOME STATE.
3. THE FRANCHISE AGREEMENT STATES THAT MARYLAND LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU WANT TO COMPARE THESE LAWS.
4. OUR FEBRUARY 28, 2013 AUDITED FINANCIAL STATEMENTS SHOW THAT WE HAD A WORKING CAPITAL DEFICIENCY OF \$533,515, A RETAINED EARNINGS DEFICIT OF \$539,970, AND A DEFICIT IN STOCKHOLDER EQUITY OF \$504,371, WHICH INDICATE WE MAY NOT BE ABLE TO MEET OUR OBLIGATIONS.
5. YOU MUST GIVE US A FIRST PRIORITY SECURITY INTEREST IN ALL OF YOUR LEASEHOLD IMPROVEMENTS, FURNITURE, FIXTURES, MACHINERY, EQUIPMENT, INVENTORY AND ANY OTHER PROPERTY THAT IS PART OF YOUR BUSINESS, WHICH MAY PLACE THOSE ASSETS AT RISK.
6. 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.
(FOR STATE ADDENDA AND AMENDMENTS, SEE EXHIBIT E)

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 or disclosure laws, with the following effective dates:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	February 13, 2013, as amended
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date of July 31, 2013.

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