

FRANCHISE DISCLOSURE DOCUMENT



COFFEE NEWS USA, Inc.
A Maine Corporation
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(207) 941-0860
www.coffeenewsusa.com

You will publish within an exclusive territory a free weekly restaurant publication called **Coffee News** for the patrons of restaurants, coffee shops, and other food related businesses.

The total investment necessary to begin operation of a Coffee News franchise is \$10,250.00 – \$11,250.00 ~~\$9,425.00 – \$10,425.00~~ This includes \$9,000.00 - \$10,000.00 ~~\$8,500.00 – \$9,500.00~~ that must be paid to the franchisor, COFFEE NEWS USA, INC. ("we or us"). \$6,000.00 must be paid to us for each additional franchise up to a maximum of 20 franchises per individual or company.

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.

REGISTRATION OF THIS FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. If you learn that anything in this disclosure document is untrue, contact the Federal Trade Commission and the applicable state administrators listed in Attachment A.

The Issuance Date: April 4, 2014 ~~March 28, 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 DOCUMENT.**

Call the state franchise administrator listed in Attachment 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 SUE FRANCHISOR ONLY IN PENOBSBOT COUNTY, MAINE. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE WITH THE FRANCHISOR IN PENOBSBOT COUNTY, MAINE THAN IN YOUR HOME STATE.**
- 2. THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO ARBITRATE WITH THE FRANCHISOR ONLY IN PENOBSBOT COUNTY, MAINE. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH THE FRANCHISOR IN PENOBSBOT COUNTY, MAINE THAN IN YOUR HOME STATE.**
- 3. THE FRANCHISE AGREEMENT STATES THAT MAINE LAW GOVERNS THE AGREEMENT, AND THE LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
- 4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

We do not use the services of any franchise broker or referral sources to assist us in selling our franchise. You should be sure to do your own investigation of the franchise.

Effective Date: _____

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