



FRANCHISE DISCLOSURE DOCUMENT COLOR ME MINE ENTERPRISES, INC.

A California corporation 3722 San Fernando Road, Glendale, California 91204 Telephone: (818) 291-5900 franchising@colormemine.com www.colormemine.com

The franchisee will own and operate a paint-your-own ceramic Studio.

The total investment necessary to begin operation of a COLOR ME MINE® Studio ranges from \$165,950 to \$228,000. This includes a franchise fee of \$30,000 (reduced to \$25,000 for each additional Studio) that must be paid to the franchisor or 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 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 "<u>A Consumer's Guide to Buying a Franchise</u>", 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 <u>www.ftc.gov</u> for additional information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them. This document is available in multiple formats. To discuss the availability of disclosure in different formats, contact the administrator at Color Me Mine Enterprises, Inc., 3722 San Fernando Road, Glendale, CA 91204, (818) 291-5900, franchising@colormemine.com. Issue Date: April 1, 2019

FOR USE IN ALL NON-REGISTRATION STATES

MS Number: _____



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 administrators listed in Exhibit A for information about the franchisor, about other franchisors, 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 REQUIRES THAT ALL DISAGREEMENTS BE SETTLED BY ARBITRATION IN CALIFORNIA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Effective Date:



TABLE OF CONTENTS

ITEM	PAGE
1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSOR AND AFFILIATES	1
2. BUSINESS EXPERIENCE	
3. LITIGATION	3
4. BANKRUPTCY	3
5. INITIAL FEES	3
6. OTHER FEES ¹	
7. ESTIMATED INITIAL INVESTMENT ¹	5
8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	
9. FRANCHISEE'S OBLIGATIONS	9
10. FINANCING	10
11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND	
TRAINING	12
12. TERRITORY	
13. TRADEMARKS	
14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	22
15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION	
OF THE FRANCHISED BUSINESS	23
16. RESTRICTIONS ON WHAT YOU MAY SELL	
17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	
18. PUBLIC FIGURES	
19. FINANCIAL PERFORMANCE REPRESENTATIONS	
20. OUTLETS AND FRANCHISEE INFORMATION	
21. FINANCIAL STATEMENTS	
22. CONTRACTS	
23. RECEIPT	

STATE SPECIFIC ADDENDUM

EXHIBITS:

- A: State Administrators: Agents for Service of Process; Effective Dates
- **B**: Financial Statements
- C-1: Non-refundable Reservation Agreement
- **C-2:** Franchise Agreement

Attachments:

- 1: Accepted Location
- 2: Exclusive Area
- 3: Nondisclosure and Non-Competition Agreement
- 4: Personal Guaranty and Subordination Agreement
- 5: Receipt of Franchise-Related Documents
- 6. Appendix Compliance Certificate
- 7. Lease Assignment Agreement
- D: Roster of Franchisees
- E: Financing Documents
 - 1. Form of Security Agreement
 - 2. Form of Promissory Note
 - 3. Form of Personal Guaranty for Note
- F: Receipt

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: https://franchisepanda.com/franchises/color-me-mine