

FRANCHISE DISCLOSURE DOCUMENT



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Department of
Business Oversight

DESIGNED COOKIES, INC.
a Texas corporation
1865 Summit Avenue, Suite 607
Plano, Texas 75074
(972) 398-9536 or (800) 945-2665
franchise@cookiesbydesign.com
www.cookiesbydesign.com

You will operate a retail "shop" that produces decorated cookies, gourmet cookies, fanciful cookie arrangements, and related products for retail sale to the general public.

The total investment necessary to begin operation of a COOKIES BY DESIGN® franchise ranges from \$117,500 to \$207,000, which includes the \$30,000 that must be paid to the franchisor or affiliate. If you are acquiring development rights under the franchisor's or affiliate's area development program, then you will pay the franchisor or affiliate a development fee equal to \$5,000 for each shop to be developed under the development schedule, plus 100% of the initial franchise fee for the first shop, and 25% of the initial franchise fee for each additional shop to be developed under the area development agreement. If the franchisor or affiliate enters into a temporary service agreement with you, you will pay him or her a temporary service fee equal to \$12,000 at the time you sign the temporary service agreement.

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.

Issuance Date: March 20, 2017

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 F 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, AREA DEVELOPMENT AGREEMENT, AND TEMPORARY SERVICES AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH THE FRANCHISOR OR AFFILIATE BY LITIGATION, ARBITRATION, OR MEDIATION ONLY IN TEXAS. OUT OF STATE LITIGATION, ARBITRATION, AND MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE, ARBITRATE, OR MEDIATE WITH THE FRANCHISOR OR AFFILIATE IN TEXAS THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT, AREA DEVELOPMENT AGREEMENT, AND TEMPORARY SERVICES AGREEMENT STATE THAT TEXAS LAW GOVERNS THE AGREEMENT, AND THIS MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. IF YOU, AS AN INDIVIDUAL DEVELOPER OR FRANCHISEE, ARE A MARRIED INDIVIDUAL, YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTEE MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE RESPECTIVE AGREEMENT. THE GUARANTEE WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.
4. PLEASE NOTE THAT 27% OF THE FRANCHISOR'S ASSETS ARE INTANGIBLE. YOU MAY WANT TO TAKE THIS INTO CONSIDERATION WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Dates: See the next page for State Effective Dates

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 and disclosure laws, with the following effective dates:

State	Effective Date
California	
Illinois	
Washington	

In all other states, the effective date of this franchise disclosure document is the issuance date of March 20, 2017.

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