

FRANCHISE DISCLOSURE DOCUMENT



Craters & Freighters Franchise Company
A Colorado Corporation
331 Corporate Circle, Suite J
Golden, CO 80401
303-399-8190
cfinfo@cratersandfreighters.com
www.cratersandfreighters.com

The franchise offered is for a business of shipping, packaging, crating, receiving and delivery, storage, transportation, moving, logistics, blanket wrap, and freight forwarding services and products for individuals and companies (the "Franchise"). The packaging and crating techniques are specifically designed for the product. The focus of the business is to accommodate companies or individuals in assuring sufficient packaging and delivery to arrive on time and safely. The Franchisee will not participate in any other business.

The total estimated investment necessary to begin operation of a Craters & Freighters franchise is \$88,600 to \$140,000. This includes an initial franchise fee of \$35,000 that must be paid to the franchisor or affiliate for a full market territory with a population of 1,000,000 people. If you request, and we approve, a full market territory with a population of more than 1,000,000 people, then you will be required to pay us a supplemental territory fee of \$0.015 per additional person in the full market territory.

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 Craters & Freighters Franchise Company at 331 Corporate Circle, Suite J, Golden, CO 80401 or at 303-399-8190.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire 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, 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 franchise in your state. Ask your state agencies about them.

Issuance date: March 31, 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 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 RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN COLORADO. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN COLORADO THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT REQUIRES THAT COLORADO 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. A COMPANY THAT IS NO LONGER OUR AFFILIATE WILL CONTINUE TO SOLICIT BUSINESS FOR YOU AND YOU ARE REQUIRED TO ACCEPT SUCH BUSINESS AND PERFORM THE WORK AT THE PRICES THAT COMPANY NEGOTIATED FOR YOU. THIS REQUIREMENT MAY REDUCE YOUR ANTICIPATED REVENUE AND NET INCOME.

4. YOU MUST MAINTAIN A MINIMUM SALES PERFORMANCE LEVEL, AND PAY A MINIMUM MONTHLY ROYALTY FEE. FOR A FULL MARKET TERRITORY, THESE LEVELS MAY BE INCREASED FOR YEARS 4-15 AT THE FRANCHISOR'S DISCRETION. IF YOU FAIL TO MEET THESE LEVELS FOR EITHER TYPE OF MARKET, YOUR FRANCHISE TERRITORY COULD BE REDUCED OR THE FRANCHISOR COULD TERMINATE YOUR AGREEMENT AND YOU COULD LOSE YOUR INVESTMENT.

5. 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 make sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

FRANCHISE DISCLOSURE DOCUMENT EFFECTIVE DATES IN DESIGNATED STATES

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, exempt from registration, or otherwise effective in the following states having franchise registration and disclosure (or business opportunity*) laws as of the dates listed:

California	Effective date:
Florida	Effective date:
Hawaii	Effective date:
Illinois	Effective date:
Indiana	Effective date:
Kentucky*	Effective date:
Maryland	Effective date:
Michigan	Effective date:
Minnesota	Effective date:
Nebraska*	Effective date: June 8, 2001
New York	Effective date:
North Dakota	Effective date:
Rhode Island	Effective date:
South Dakota	Effective date:
Texas*	Effective date: September 1, 1992
Utah	Effective date:
Virginia	Effective date:
Washington	Effective date:
Wisconsin	Effective date:

In all non-registration states, the effective date of this Franchise Disclosure Document is March 31, 2014.

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