
FRANCHISE DISCLOSURE DOCUMENT

CROWN VAPORS FRANCHISING, LLC
CROWN VAPORS

A California Limited Liability Company
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Department of
Business Oversight

APR 15 2016

Sacramento Office



The Franchise offered is a specialty retail and service model offering electronic cigarette products and supplies

The total investment necessary to begin operation of a Crown Vapors franchise is \$119,800 to \$297,700 This includes the \$25,000 franchise fee 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 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-FTCHELP 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

This Disclosure Document was issued on 4/2/16

STATE OF CALIFORNIA 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 CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE DEPARTMENT OF LAW OR THAT IT HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administrator listed in Exhibit H 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 ONLY IN CALIFORNIA OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN 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 THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$119,800 TO \$219,700 THIS AMOUNT EXCEEDS THE FRANCHISOR'S EQUITY OF \$1,500 AS OF APRIL 2, 2015

4 E-CIGARETTES HAVE NOT BEEN FULLY STUDIED AND CONSUMERS DO NOT KNOW THE POTENTIAL RISKS OF E-CIGARETTES WHEN USED AS INTENDED, HOW MUCH NICOTINE OR OTHER POTENTIALLY HARMFUL CHEMICALS ARE BEING INHALED DURING USE OR WHETHER THERE ARE ANY BENEFITS ASSOCIATED WITH USING THESE PRODUCTS IT IS ALSO UNKNOWN WHETHER E-CIGARETTES MAY LEAD YOUNG PEOPLE TO TRY OTHER TOBACCO PRODUCTS, INCLUDING CONVENTIONAL CIGARETTES, WHICH ARE KNOWN TO CAUSE DISEASE AND LEAD TO PREMATURE DEATH

5 EACH PRINCIPAL OWNER ENTERING INTO THIS FRANCHISE AGREEMENT ATTACHED TO THIS FRANCHISE DISCLOSURE DOCUMENT MUST GUARANTEE ALL OBLIGATIONS OF FRANCHISEE UNDER THE FRANCHISE AGREEMENT, THEREBY PLACING HIS/HER PERSONAL ASSETS AT RISK

6 THIS FRANCHISOR IS A DEVELOPMENT STAGE COMPANY WITH LIMITED FRANCHISE OPERATING HISTORY YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE

7 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We use the services of one or more FRANCHISE BROKERS or referral sources to assist Franchisor in selling our franchise A franchise broker or referral source represents us, not Franchisee We pay this person a fee for selling our franchise or referring Franchisee to us Franchisee should be sure to do Franchisee's own investigation of the franchise

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