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DAZBOG COFFEE FRANCHISING, LLC
FRANCHISE AND AREA DEVELOPER
FRANCHISE DISCLOSURE DOCUMENT



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DAZBOG COFFEE FRANCHISING, LLC

(a Colorado limited liability company)

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Denver, Colorado, 80204-3838

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www.dazbog.com

E-Mail: franchise@dazbog.com

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Dazbog Coffee Franchising, LLC is offering franchises for the operation of a retail coffee store that sells coffee and espresso-based drinks made with specially-roasted DAZBOG coffee, gourmet tea, hot chocolate, smoothies, and other hot and cold beverages together with baked goods, sandwiches, salads, confections and packaged coffee beans and related merchandise.

The total investment necessary to begin operation of a DAZBOG Coffee Store franchise ranges from \$182,300 to \$406,800. This includes between \$60,000 and \$80,000 that must be paid to the franchisor or its affiliates. Dazbog Coffee Franchising, LLC also awards to qualified persons, under its Area Developer Marketing Agreement, the right to solicit prospective franchisees and to provide on-going support to its franchisees located in a particular geographic area. The total investment necessary to begin operation of an Area Developer business ranges from \$42,000 to \$140,000. This includes between \$32,000 and \$118,000 which must be paid to the franchisor or its affiliates based primarily on the size of the 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.**

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 Franchise 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 29, 2013

For use in: AL, AK, AZ, AR, CA, CO, CT, DE, DC, GA, FL, ID, IL, IA, KS, KY, LA, ME, MD, MA, MI, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, OH, OK, OR, PA, SC, TN, TX, UT, VT, WA, WV, WI, WY, and U.S. TERRITORIES (see following pages for varying effective dates in certain states.)

NOT FOR USE IN HI, IN, MN, ND, RI, SD, or VA.

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 L 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, DEVELOPMENT AGREEMENT AND AREA DEVELOPER MARKETING AGREEMENT EACH REQUIRE YOU TO ARBITRATE OR LITIGATE ONLY IN COLORADO. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN COLORADO THAN IN YOUR HOME STATE.**
- 2) **THE FRANCHISE AGREEMENT, DEVELOPMENT AGREEMENT AND AREA DEVELOPER MARKETING AGREEMENT EACH REQUIRES THAT COLORADO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LAWS IN YOUR STATE. YOU MAY WANT TO COMPARE THESE LAWS. EVEN THOUGH THESE AGREEMENTS PROVIDE THAT "HOME STATE" LAW APPLIES, LOCAL LAW MAY SUPERSEDE IT IN YOUR STATE. CERTAIN STATES PROHIBIT CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. PLEASE REFER TO STATE ADDENDA ATTACHED FOR A SUMMARY AND DETAILS OF SOME OF THESE LAWS.**
- 3) **AS PER THE AUDITED BALANCE SHEET DATED DECEMBER 31, 2012, THE FRANCHISOR HAD A NET WORTH DEFICIENCY OF \$350,599.**
- 4) **THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$182,300 TO \$406,800. THIS AMOUNT EXCEEDS THE FRANCHISOR'S MEMBERS' EQUITY AS OF DECEMBER 31, 2012, WHICH IS \$(350,599).**
- 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 be sure to do your own investigation of the franchise.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/dazbog-coffee>