

# **Dessert'D Organic Bake Shop®**



## **Franchise Disclosure Document**



### Dessert'D Organic Bake Shop, LLC

A California Limited Liability Company 588 Old Mammoth Rd #2 Mammoth Lakes California 93546 PH 760-924-0877

#### WWW.DESSERTD.COM

You will operate a business an organic gourmet dessert bakery called **Dessert'D Organic Bake Shop®** operating under the Marks and using the System as described in this document, and the Operations Manual.

The total estimated required initial investment ranges from \$247,000 to \$436,500 of which, the Initial Franchise Fee of \$10,000, and Initial Training Fee of \$3500, are paid to the Franchisor

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you can 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 government 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:

Mimi Council, 588 Old Mamouth Road #2, Mammoth Lakes, CA 93546 PH 93546 760-924-0877

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 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 <a href="www.ftc.gov">www.ftc.gov</a> 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.

ISSUING DATE: February 4, 2020



#### STATE COVER PAGE

Your state may have franchise laws that require 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 E 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 OUR 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 ARBITRATE DISPUTES WITH US AND CONDUCT THE ARBITRATION 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 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. WE HAVE ONLY BEEN SELLING FRANCHISES FOR A SHORT PERIOD OF TIME AND HAVE LITTLE HISTORY TO RELY UPON. YOU ARE ENCOURAGED TO MAKE A FULL INVESTIGATION OF THIS OFFERING AND OF OUR COMPANY.
- 4. YOU WILL BE OFFERING A FOOD SERVICE AND WILL BE GOVERNED BY AND SUBJECT TO FOOD SAFETY LAWS AND REGULATIONS, IN ADDITION TO OTHER BUSINESS REGULATIONS. YOU ARE ENCOURAGED TO INVESTIGATE THESE REQUIREMENTS INDEPENDENTLY OF WHAT WE PROVIDE YOU.
- 5. THE FRANCHISOR'S AUDITED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019 SHOWS THAT THE FRANCHISOR MAY NOT HAVE THE FINANCIAL RESOURCES TO PROVIDE SERVICES OR SUPPORT TO YOU.
- 6. THE FRANCHISOR IS IN AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAT A FRANCHISE SYSTEM WITH A LONGER OPERATING HISTORY.
- 7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.
- 8. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$247,000 TO \$436,500. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDER'S EQUITY OF \$27,937 AS OF DECEMBER 31, 2019.

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