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**Department of  
Business Oversight****FRANCHISE DISCLOSURE DOCUMENT**

Donut King System LLC  
a Delaware limited liability company  
c/- 14071 Stage Road  
Santa Fe Springs, California 90670  
(949) 752-5282  
www.donutking.com  
lsullivan@retailfoodgroupusa.com

This disclosure document is for Donut King master franchises. The master franchise includes the rights to:

- a) operate Donut King outlets ('Establishments'), and
- b) (if applicable) grant franchises to third parties to operate Establishments,

within a specified development area. The Establishments sell donuts, soft serve ice cream, hot and cold beverages (including tea, coffee, hot chocolate, cans, bottles and packaged drinks, fruit juices, milk shakes, thick shakes and frozen carbonated beverages), cinnamon toast, raisin toast, sweet and savoury pastries, pre-made sandwiches and hot dogs.

The total investment necessary to begin operation of a master franchise, including one Establishment, is \$465,000 to \$1.95 million. This includes \$170,000 to \$1.5 million that must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your Master Franchise Development Area Agreement ('MFDAA') 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 payments to, the franchisor or an affiliate in connection with the proposed franchise sale or grant.

**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 the Franchise Development Director at 14071 Stage Road, Santa Fe Springs, California 90670, tel. (949)752-5282, lsullivan@retailfoodgroupusa.com.

The terms of your contract will govern your master franchise relationship. Do not rely on this 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 master 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 (FTC). You can contact the FTC at 1-877-FTC-HELP or by writing the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency listed on **Exhibit A** 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.

The **ISSUANCE DATE** is October 12, 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 A** for information about the franchisor, or about franchising in your state. If you learn that anything in this Disclosure Document is untrue, contact the Federal Trade Commission and the state administrators listed on **Exhibit A**.

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.

### **RISK FACTORS:**

Please consider the following RISK FACTORS before you buy this franchise:

1. THE MFDAA REQUIRES YOU TO RESOLVE DISPUTES WITH US BY A MEETING, MEDIATION, AND ARBITRATION ONLY IN THE STATE IN WHICH OUR U.S. HEADQUARTERS ARE THEN LOCATED (CURRENTLY, CALIFORNIA). OUT-OF-STATE MEETINGS, MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEET, MEDIATE, AND ARBITRATE WITH US IN THE STATE WHERE OUR U.S. HEADQUARTERS ARE LOCATED THAN IN YOUR OWN STATE.
2. IF THE MASTER FRANCHISE AREA DEVELOPER IS A CORPORATION, PARTNERSHIP, OR LIMITED LIABILITY COMPANY, WE REQUIRE EACH OWNER OF A 10% OR GREATER INTEREST AND HIS/HER SPOUSE TO SIGN A GUARANTY AND ASSUMPTION OF OBLIGATIONS, CAUSING EACH OWNER (AND THE OWNERS' SPOUSE) TO BECOME JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE MFDAA. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF OWNERS AND SPOUSES AT RISK.
3. THE MFDAA PROVIDES THAT THE LAWS OF THE STATE OF CALIFORNIA GOVERN THE AGREEMENT, AND THAT LAW MAY NOT PROVIDE YOU WITH THE SAME RIGHTS AND PROTECTIONS AS YOUR LOCAL LAW. YOU MAY WANT TO CONSULT AN ATTORNEY REGARDING COMPARISON OF THESE LAWS.
4. THE FRANCHISOR IS NEWLY FORMED AND HAS NO OPERATING HISTORY, AND THERE IS NO ASSURANCE THAT IT WILL BE SUCCESSFUL AS A FRANCHISOR. THE FRANCHISOR'S AFFILIATES HAVE BEEN OPERATING SIMILAR BUSINESSES IN AUSTRALIA.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more BROKERS or referral sources to assist us in selling our master franchises. A broker or referral source represents us, not you. We pay this person a fee for selling our master franchises or referring you to us. You should be sure to do your own investigation of the master franchises.

### STATE EFFECTIVE DATES

This 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	
Hawaii	Not filed
Illinois	Not filed
Indiana	Not filed
Maryland	Not filed
Michigan	Not filed
Minnesota	Not filed
New York	Not filed
North Dakota	Not filed
Rhode Island	Not filed
South Dakota	Not filed
Virginia	Not filed
Washington	Not filed
Wisconsin	Not filed

In all other states, the effective date of this Disclosure Document is the Issuance Date.

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