

FRANCHISE DISCLOSURE DOCUMENT



Donut King System LLC
 a Delaware limited liability company
 333 N Green Street, Suite 803
 Chicago, Illinois 60607
 1-877-320-5282
www.donutking.com
rfginternational@rfg.com.au

The franchise offered is to operate a Donut King retail outlet (a “Donut King Store” or “Store”) selling donuts, 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 savory pastries, pre-made sandwiches, hot dogs and other foods.

The total investment necessary to begin operation of a DONUT KING franchise is as follows:

Small DONUT KING store/Kiosk	\$209,000 to \$264,000. This includes \$16,000 to \$24,500 that must be paid to the franchisor or its affiliates.
DONUT KING store without drive-thru	\$236,500 to \$292,500. This includes \$17,500 to \$26,000 that must be paid to the franchisor or its affiliates.
DONUT KING store with drive-thru	\$246,500 to \$331,500. This includes \$17,500 to \$26,000 that must be paid to the franchisor or its affiliates.

We offer qualified candidates an Area Development Agreement under which the franchisee commits to develop a specified number of DONUT KING stores within a defined geographic area. The total investment necessary for an Area Development Agreement is \$23,750 to \$32,500, assuming a commitment of 3 to 5 Donut King Stores. This includes \$18,750 to \$22,500 that must be paid to the franchisor. Unless otherwise agreed, the minimum number of stores you will be required to develop under the Area Development Agreement is three.

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 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 Retail Food Group (USA) at 333 N Green Street, Suite 803, Chicago, Illinois 60607, tel. 877-320-5282, rfginternational@rfg.com.au.

The terms of your contract will govern your franchise relationship. Don't 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 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 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 listed on **Exhibit 1** 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: April 13, 2021

HOW TO USE THIS FRANCHISE DISCLOSURE DOCUMENT

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits 9 and 10.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit 11 includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Donut King store in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Donut King franchisee?	Item 20 or Exhibits 9 and 10 list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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