

DRIFTER'S FRANCHISING, INC
FRANCHISE DISCLOSURE DOCUMENT

RECEIVED

JUN 23 2014

Dept. of Business Oversight



Drifter's Franchising, Inc
A Colorado Corporation
2750 Heathrow Drive, Colorado Springs, CO 80920
(719) 237-5685
www.driftershamburgers.com

The franchisor is offering franchises for the operation of a quick-serve, casual restaurant featuring hamburgers, fries, shakes and related menu items. The initial franchise fee is \$35,000 for the first franchise and \$25,000 for each subsequent franchise. The total estimated initial investment necessary to begin operation of a Drifter's Hamburgers franchise is between \$130,000 and \$511,000. This amount includes \$35,000 that must be paid to the franchisor or its affiliates. The initial investment estimate is approximate and initial fees are more fully described in Items 5, 6, and 7 of this Disclosure Document.

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 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.

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 Drifter's Franchising, Inc, 2750 Heathrow Drive, Colorado Springs, CO 80920 or (970) 259-6322.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date June 5, 2014

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 2 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 COLORADO 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 COLORADO THAN IN YOUR OWN STATE THIS REQUIREMENT MAY NOT BE ENFORCEABLE IN SOME STATES**
- 2) **THE FRANCHISE AGREEMENT STATES THAT COLORADO 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 THIS REQUIREMENT MAY NOT BE ENFORCEABLE IN SOME STATES**

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE IT IS RECOMMENDED THAT YOU CONDUCT YOUR OWN DUE DILIGENCE AND EVALUATE THE RISKS OF FRANCHISE OWNERSHIP THERE MAY ALSO BE LAWS ON FRANCHISING IN YOUR STATE ASK YOUR STATE AGENCIES ABOUT THEM

Issuance Date for Non Registration States June 5, 2014

The states listed below may require registration or filing of this Disclosure Document If this offering is registered in any of these states, the effective date of the registration may differ from the date of issuance of this Disclosure Document as stated below Some of these states may require different or additional disclosures or revisions to the agreement (see the State Addenda to this Disclosure Document for certain states)

Effective Dates for States Requiring Registration and Notice Filings

California	Not Registered
Florida	January 28, 2014
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Kentucky	Not Registered
Maryland	Not Registered
Minnesota	Not Registered
Nebraska	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Texas	January 28, 2013
Utah	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered

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