



FRANCHISE DISCLOSURE DOCUMENT FOR PROSPECTIVE FRANCHISEES

DUNN BROS COFFEE FRANCHISING, INC.
111 3rd Avenue South, Suite 130
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The franchise offered is for the operation of a DUNN BROTHERS COFFEE™ shop at an authorized location. A DUNN BROTHERS COFFEE shop is a retail outlet in which you will use state of the art, on-site micro-roasting techniques to allow you to produce daily, fresh-roasted, high-quality coffee and sell this coffee at the peak of its aromatic freshness. DUNN BROTHERS COFFEE shops also offer on-site baking and feature fresh bakery items such as breads and pastries, breakfast and lunch sandwiches, salads, wraps, desserts, and other food offerings as we designate.

The total investment necessary to begin operation of a DUNN BROTHERS COFFEE shop is from \$339,350 to \$592,400. This includes \$32,000 that must be paid to us for your first franchise or \$25,250 that must be paid to us if you already operate a DUNN BROTHERS COFFEE shop. The total investment necessary to begin operation of a DUNN BROTHERS COFFEE Express shop is from \$227,100 to \$376,400. This includes \$24,000 that must be paid to us for your first franchise or \$19,500 that must be paid to us if you already operate a DUNN BROTHERS COFFEE shop.

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.**

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 Kim Plahn at 111 3rd Avenue South, Suite 130, Minneapolis, Minnesota 55401, (612) 877-3600.

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.

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

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DUNN BROTHERS COFFEE – 04/27/16

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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 G** 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 MINNESOTA. 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 MINNESOTA THAN IN YOUR OWN STATE.**
2. **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 this franchise.

Effective Date: See the next page for state effective dates

STATE EFFECTIVE DATES

The following states require that the disclosure document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

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
Illinois	Pending
Minnesota	Pending
North Dakota	Pending
South Dakota	Pending
Wisconsin	Pending

In the states listed below, the effective date (issuance date) of this disclosure document is April 27, 2016.

Alabama	Louisiana	Oklahoma
Alaska	Maine	Oregon
Arizona	Massachusetts	Pennsylvania
Arkansas	Mississippi	South Carolina
Colorado	Missouri	Tennessee
Connecticut	Montana	Texas
Delaware	Nebraska	Vermont
District of Columbia	Nevada	West Virginia
Georgia	New Hampshire	Wyoming
Idaho	New Jersey	
Iowa	New Mexico	
Kansas	North Carolina	
Kentucky	Ohio	

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