

## FRANCHISE DISCLOSURE DOCUMENT



Einstein Bros. Bagels Franchise Corporation  
*a Colorado corporation*  
 555 Zang Street, Suite 300  
 Lakewood, Colorado 80228  
 Telephone: (303) 568-8000  
 E-mail: FranchiseSales@einsteinnoah.com  
 Website: [www.einsteinbros.com](http://www.einsteinbros.com)

The franchisee will operate a business (an “**Einstein Bros. Restaurant**”) that specializes in the sale of fresh-baked bagels, cream cheese and other spreads, specialty coffees and teas, baked sweets and snacks, and creative lunch items, among other things.

The estimated total initial investment necessary to begin operation of an Einstein Bros. Restaurant under a Franchise Agreement (defined in Item 1) ranges from \$564,300 to \$935,850. This includes \$41,000 to \$47,000 that you must pay to us before you open.

The estimated total initial investment necessary to begin operation of an Einstein Bros. Restaurant under a License Agreement (defined in Item 1) ranges from \$138,550 to \$620,250. This includes \$12,500 that you must pay to us before you open.

If you enter into an area development agreement, the development fee will be \$10,000 for each Einstein Bros. Restaurant to be opened under that agreement.

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 Robert Schalow, the Director of Franchise Business Operations, for Franchised Restaurants, and Nick Schaefer, Vice President License Development, for Licensed Restaurants, both at Einstein Bros. Bagels Franchise Corporation, 555 Zang Street, Suite 300, Lakewood, Colorado 80228 (303.568.8000).

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](http://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.

The issuance date of this Franchise Disclosure Document is May 16, 2018.

## 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 administrators listed in Exhibit B 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 PERMITS THE FRANCHISEE TO MEDIATE OR LITIGATE ONLY IN COLORADO. OUT OF STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE OR LITIGATE WITH THE FRANCHISOR IN COLORADO THAN IN YOUR HOME STATE.
- \*2. THE FRANCHISE AGREEMENT STATES THAT THE LAW OF COLORADO 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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

\* Local law may supersede these franchise agreement provisions. Certain states require the superseding provisions to appear in an addendum in this disclosure document (See Exhibits H and I).

Effective Date: See the next page for state effective dates.

**STATE EFFECTIVE DATES**

The following states require that the Franchise 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 Franchise 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:

<b>STATES</b>	<b>EFFECTIVE DATE</b>
California	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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