

FRANCHISE DISCLOSURE DOCUMENT



Ellianos, LLC
a Florida limited liability company
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The franchisee will operate a retail outlet under the name “Ellianos” offering fresh roasted coffee, espresso drinks, cappuccinos, lattes, chai teas, smoothies, pastries and related menu items (“Ellianos Stores”).

The estimated total investment necessary to begin the operation of a franchised Traditional Ellianos Store ranges from \$167,300 to \$292,500. This includes \$18,000 to \$20,000 for the Initial Franchise Fee, which you must pay to us. If you sign a Development Agreement, for each Ellianos Store you agree to develop, you will pay to us a Development Fee in the amount of \$10,000 and, if applicable, an Exclusive Territory Fee in the amount of \$5,000. If you sign a Territory Reservation Agreement, you will pay to us a Territory Reservation Fee determined by multiplying the population of the Territory times a multiplier determined based upon the length of the term of the Territory Reservation 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, us or our affiliates 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 Scott Stewart, by telephone at (386) 755-5828, by email at scott@ellianos.com or by mail at 426 SW Commerce Drive, Suite 130, Lake City, Florida 32025.

The terms of your franchise agreement will govern your franchise relationship. Don't rely on the disclosure document alone to understand your franchise agreement. Read all of your franchise agreement carefully. Show your franchise agreement 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 by calling 1-877-FTC-HELP or 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 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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STATE COVER PAGE

Your state may have a franchise law that requires us to register or file with a state administrator before offering or selling franchises in your state. REGISTRATION OF THIS 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 administrators listed in Exhibit A for information about the franchisor or 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. EXCEPT FOR CERTAIN CLAIMS, THE FRANCHISE AGREEMENTS REQUIRE YOU TO ARBITRATE ALL DISPUTES AGAINST ELLIANOS, LLC (“ELLIANOS”) AT THE AMERICAN ARBITRATION ASSOCIATION (“AAA”) OFFICE NEAREST TO OUR PRINCIPAL OFFICES, WHICH ARE PRESENTLY IN LAKE CITY, FLORIDA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT ALSO MAY COST MORE TO ARBITRATE WHERE ELLIANOS HAS ITS PRINCIPAL OFFICES THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENTS STATE THAT FLORIDA LAW GOVERNS, 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.

This disclosure document is to be used in all states and the District of Columbia, except California, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington and Wisconsin.

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Exhibits:

- A. List of State Administrators
- B. Agents for Service of Process
- C. Territory Reservation Agreement
- D. Development Agreement
- E. Subfranchising Amendment to the Development Agreement
- F. Exclusivity Amendment to the Development Agreement
- G. Franchise Agreement
- H. Confidentiality and Non-Disclosure Agreement
- I. List of Franchised Stores, List of Signed Franchise Agreements (Units Not Open) and List of Former Franchisees
- J. Financial Statements
- K. Compliance Questionnaire
- L. Form of General Release

Receipt (2 copies)

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