



FRANCHISE DISCLOSURE DOCUMENT FOR SINGLE UNIT FRANCHISES

E.C.S. COMPANY, LLC
(a Washington Limited Liability Company)
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We offer franchises for operation of businesses offering smoothies, supplements and health related products from our express kiosk locations ("Express Shops") or at retail stores ("Retail Stores"). Retails Stores are traditional store front locations,. Express Shops and Retail Stores are collectively referred to in this Disclosure Document as the "Operating Units". The Express Shop and Retail Store are operated from Permanent Sites. You are required to obtain our written consent for each Permanent Site at which you desire to locate an Operating Unit, and for the Letter of Intent and lease of any Permanent Site. An Operating Unit operating from a Permanent Site may not be relocated without prior written consent.

We offer one type of EMERALD CITY SMOOTHIE unit franchise, a "Unit Franchise",. If you are a Unit Franchise, you may operate one or more Operating Units and/or Retail Stores. Regardless of the type of franchise you acquire, you are required to pay us the initial fees discussed in ITEM 5 of this Disclose Document, sign our Franchise Agreement and complete the Training Program prior to operating your EMERALD CITY SMOOTHIE business. A copy of our Franchise Agreement is attached to this Disclosure Document as Exhibit A.

The total investment necessary to begin operation for an E.C.S Express Shop is approximately \$75,250-\$149,200. This includes approximately \$15,000 that must be paid to us or our affiliates. The total investment necessary to begin operation of an E.C.S Retail Store is approximately from \$175,900 to \$286,900. This includes approximately \$25,000 that must be paid to us or our affiliates.



This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read 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.

If you are viewing this disclosure document on a computer, or it is an electronic version, you will need a PC able to run Windows 2000 or better, Adobe Acrobat version 6.0 or higher, or a CD-ROM drive and an Internet connection allowing downloading of documents of this size – approximately 5 MB. 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 Al Schriber at 227 Bellevue Way NE, #883, Bellevue, WA 98004 and (206)230-5556.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire 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 to 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. 20590. 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.

Issuance Date for states not requiring franchise registration or filing: <u>December 31,2014</u>

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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 F 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. AS OF September 30, 2015, WE HAD \$101,208 IN CURRENT ASSETS AND HAD \$124,218 IN CURRENT LIABILITIES. THIS MEANS THAT FOR EVERY DOLLAR OF LIABILITIES DUE WITHIN ONE YEAR, WE HAD \$0.81 IN CURRENT ASSETS. AS OF September 30, 2015 WE HAVE –PROFITS OF \$20,161 CAUSING US TO HAVE A NET WORTH OF \$511,110.
- 2. THE FRANCHISE AGREEMENT REQUIRE THAT ALL DISPUTES BE SUBMITTED TO ARBITRATION OR LITIGATION IN KING COUNTY, WASHINGTON. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN WASHINGTON THAN IN YOUR HOME STATE.
- THE FRANCHISE AGREEMENT STATE THAT WASHINGTON 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.
- 4. THE FRANCHISE AGREEMENT REQUIRES A SUBSTANTIAL INVESTMENT AND A COMMITMENT OF TIME. ALL INVESTMENTS INVOLVE A DEGREE OF RISK.
- THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Certain state laws may supersede these provisions. See State Addenda in Exhibit H for a

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