

FRANCHISE DISCLOSURE DOCUMENT

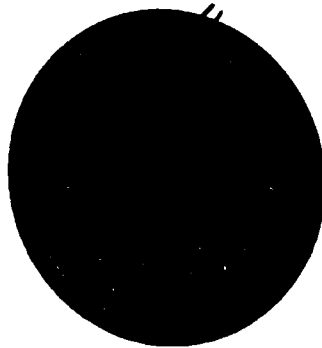
ESPRESSO AMERICANO FRANCHISE CORPORATION

A Delaware Corporation
8690 Wolff Court, #200
Westminster, Colorado 80031
(303) 249-2661
www.espresso-americano.com

RECEIVED

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The franchise offered is for the establishment and operation of a business that offers personalized beverages in a specialty coffee shop. We offer 3 types of franchises: a Café unit, a Drive-Thru unit and a Kiosk unit.

We offer 3 franchise programs for a start-up Espresso Americano franchise:

A single start-up Espresso Americano business and an Espresso Americano conversion business. The total investment necessary to begin operation of an Espresso Americano start-up franchise ranges from \$234,525 to \$410,400 for a Café unit. This includes \$30,500 to \$31,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of an Espresso Americano start-up franchise ranges from \$169,700 to \$360,167 for a Drive-Thru unit. This includes \$30,500 to \$31,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of an Espresso Americano start-up franchise ranges from \$98,388 to \$222,250 for a Kiosk unit. This includes \$30,500 to \$31,000 that must be paid to the franchisor or affiliate.

A conversion Espresso Americano business. The total investment necessary to begin operation of an Espresso Americano conversion franchise ranges from \$179,900 to \$284,400 for a Café unit. This includes \$20,500 to \$21,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of an Espresso Americano conversion franchise ranges from \$122,700 to \$267,000 for a Drive-Thru unit. This includes \$20,500 to \$21,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of an Espresso Americano conversion franchise ranges from \$70,700 to \$154,500 for a Kiosk unit. This includes \$20,500 to \$21,000 that must be paid to the franchisor or affiliate.

Multiple Espresso Americano businesses. The total investment necessary to begin operation of multiple Espresso Americano franchises ranges from \$104,388 to \$512,400 depending on how many and what combination of Café, Drive-Thru and Kiosk units you choose to develop (but can be more if you choose to develop more than 10 units). The initial development fee ranges from \$24,000 (to develop 2 franchises) to \$108,000 (to develop 10 Espresso Americano franchises) or higher for the development of more than 10 units. The table below illustrates the estimated initial investment and development fees for developing multiple Espresso Americano businesses.

Unit	Development Fee	Franchise Fee	Other Expenditures (1 st business)	Total Estimated Initial Investment
Cafe Unit	\$ 12,000 - 108,000	\$24,000	\$ 204,525 - 380,400	\$ 240,525 - 512,400
Drive-Thru Unit	\$ 12,000 - 108,000	\$24,000	\$ 139,700 - 330,167	\$ 175,700 - 462,167
Kiosk Unit	\$ 12,000 108,000	\$24,000	\$ 68,388 - 192,250	\$ 104,388 - 324,250

This Disclosure Document summarizes certain provisions of your franchise agreement, area development 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 David Kubena, 8690 Wolff Court, #200, Westminster, Colorado 80031, (303) 249-2661 or by email at d.kubena@espresso-americano.com

The terms of your contract will govern your franchise relationship. Don't rely on this 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.

Date of Issuance March 2, 2015

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 THE DISCLOSURE DOCUMENT**

Call the state franchise administrator listed in Exhibit A 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 AND AREA DEVELOPMENT AGREEMENT REQUIRE THAT MOST DISPUTES BE SUBMITTED TO LITIGATION/ARBITRATION IN ADAMS COUNTY, COLORADO. OUT OF STATE LITIGATION/ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE RESOLUTION FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE/ARBITRATE WITH US IN COLORADO THAN IN YOUR HOME STATE**
- 2 **THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT COLORADO LAW GOVERNS THE AGREEMENT, AND COLORADO LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE'S LAW. YOU MAY WANT TO COMPARE THESE LAWS**
- 3 **THE TERRITORY IS NOT EXCLUSIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS. FRANCHISOR CONTROLS**
- 4 **THE AREA DEVELOPMENT AGREEMENT MAY BE TERMINATED FOR FAILURE TO MEET THE DEVELOPMENT SCHEDULE**
- 5 **IMMEDIATE FAMILY MEMBERS MAY BE REQUIRED TO SIGN NONDISCLOSURE AND NON-COMPETITION AGREEMENTS PLACING THEIR PERSONAL (AND MARITAL) ASSETS AT RISK**
- 6 **THE FRANCHISOR HAS LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND THE FRANCHISOR'S PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES**
- 7 **THE FRANCHISOR HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME, SINCE MARCH 7, 2014. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT**
- 8 **AS PER THE AUDITED BALANCE SHEET DATED DECEMBER 31, 2014, THE FRANCHISOR HAD A WORKING CAPITAL DEFICIENCY OF (\$7,308)**
- 9 **THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$169,700 TO \$512,400. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2014, WHICH IS \$210,761**
- 10 **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE**

The effective date for this Franchise Disclosure Document for your state is listed on the next page

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