

FRANCHISE DISCLOSURE DOCUMENT

fab'rik Franchise, Inc.
A Georgia Corporation
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www.fabrikstyle.com

fab'rik
clothing • eat • entertain

You, the franchisee, will operate an independently owned women's boutique based on the concept of selling unique, trendy clothing at affordable prices in an relaxing yet energizing, atmosphere. Your goal will be to create this proven experience through sales, marketing and first class customer service. The total investment necessary to begin operation of a fab'rik franchise ranges from \$120,000 to \$200,000. This includes \$35,000 which must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all 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 government agency has verified the information contained in this document.

The terms of your contract will govern your franchise relationship. Do not 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, DC 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.

RISK FACTORS

THE FRANCHISE AGREEMENT REQUIRES THAT ALL DISAGREEMENTS BE SETTLED BY ARBITRATION ONLY IN GEORGIA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN GEORGIA THAN IN YOUR HOME STATE.

INFORMATION COMPARING OF FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE WITH THE STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND/OR STATE AUTHORITY.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Issued: April 30, 2012

**UNIFORM FRANCHISE DISCLOSURE DOCUMENT
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- A. Franchise Agreement
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- C. Confidential Operations Manual Table Of Contents
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- E. List of Franchisees
- F. List of fab´rik Vendors
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1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, "we" or "us" or "fab'rik" means fab'rik Franchise Inc., the franchisor. "You" means the person who buys the franchise.

Franchisor, Parent and Affiliates

fab'rik is a Georgia corporation that was incorporated on February 16, 2006. Our principal business address is 1114 W. Peachtree Street, Atlanta, Georgia 30309.

fab'rik has a sister corporation, fab'rik Boutique, Inc. ("Boutique"), that currently operates six businesses of the type being franchised.

Agent for Process of Service

Our agent for service of process is Dana Spinola 1653 Johnson Road, Atlanta, Georgia 30306.

Prior Experience

Boutique opened its first store in Midtown Atlanta in August, 2002. This store is a 3000 square foot "destination" location, as it is located on a side street that does not attract heavy foot traffic or benefit from adjacent anchor retailers. In November 2004, Boutique opened its second location, a 2500 square foot store, in an outdoor shopping mall in Norcross, a suburb of Atlanta. In September 2005, Boutique opened its third location, a 1100 square foot store, in an outdoor shopping mall in Sandy Springs, also a suburb of Atlanta. Boutique's fourth corporate store was opened in November 2009 in Buckhead in an outdoor small shopping center. We then opened our fifth location in an outdoor Shopping Mall in November 2011. We opened our first franchise in Des Moines, Iowa in September 2006 and currently have ten franchised locations. We use the location in Midtown Atlanta as our franchise training location. fab'rik's owner Dana Spinola has launched the fab'rik White Collection clothing line in April of 2012 that is carried in fab'rik locations.

The Business We Offer

Our franchisees operate independently owned women's boutiques based on the concept of selling unique, trendy clothing at affordable prices in a relaxing yet energizing atmosphere. Our mission statement is: To provide adorable and affordable clothing combined with first class customer service. As a franchisee, you must honor our guarantee to create this proven experience through sales, marketing, first class customer service and creative in-store events. In doing so, you agree to sell standardized inventory ordered by the head fab'rik buyer and distributed to each franchisee from approved vendors listed in Exhibit F. The fab'rik market is 20 to 40 year old women who appreciate trendy clothing but appreciate reasonable price tags. Typically, our customers are dating or entertaining and desire new clothing frequently; they follow trends but would rather shop more and spend less. Competitors which compete most directly with fab'rik include H&M stores because of its trendy clothing and reasonable price points and small local boutiques because of the unique merchandise and ability to make each item special by only selling small quantities.

Our system was developed by the founder of fab'rik, Dana Spinola, to create a high quality, replicable concept in order to offer franchise opportunities to other potential business owners who desire to own their own boutique but want to avoid the heartache of the formative years. fab'rik franchisee owners love researching new trends, creating incredible outfits for customers and fashion shows, not business plans and begging vendors for lines. You may be eligible to purchase additional franchises under the then prevailing franchise agreement terms provided you are in good

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