



**FRANCHISE DISCLOSURE DOCUMENT
MULTISTATE OFFERING
FROOTS FRANCHISING COMPANIES, INC.**

a Florida corporation
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**DEPARTMENT OF CORPORATIONS
RECEIVED LOS ANGELES OFFICE**

NOV 04 2011

We offer franchises for the operation of "Froots" stores offering freshly prepared smoothies, shakes, juices, salads, soups and wraps which may be operated from a retail store located in a strip mall, shopping center or other similar location.

The total investment necessary to begin operating a Froots franchise is from \$92,600 to \$319,000. This includes \$25,000 (for the first franchise) or \$20,000 (for subsequent franchises) that must be paid to the franchisor.

We are offering to certain qualified people the right to become an Area Director. The total investment necessary to begin operating a Froots Area Director franchise will range from \$100,000 to \$1,000,000 depending on the size of the development area. The estimated initial investment will vary based on the number of stores to be developed. An Area Director must own and operate one Froots Business.

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 government 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 Froots Franchising Companies, Inc. at 4830 Oakes Road, Suite 800, Davie, FL 33314.

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 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.

ISSUING DATE: July 28, 2011

2011 FDD FROOTS Franchising Companies, Inc.

FRANCHISE DISCLOSURE DOCUMENT EFFECTIVE DATES IN DESIGNATED STATES

The following states require that the 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, exempt from registration, or otherwise effective in the following states with franchise registration or disclosure laws as of the dates listed:

California:

Hawaii:

Illinois:

Indiana:

Maryland:

Michigan:

Minnesota:

New York:

North Dakota:

Rhode Island:

South Dakota:

Virginia:

Washington:

Wisconsin

In all other states, the effective date of this Franchise Disclosure Document is **July 28, 2011**.

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 A for information about the franchisor, about other franchisors, 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN FLORIDA. 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 FLORIDA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT FLORIDA 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.
3. FROOTS IS A YOUNG FRANCHISE SYSTEM AND EXPENSES OF START UP HAVE RESULTED IN NEGATIVE RETAINED EARNINGS FOR THE LAST THREE YEARS.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.
5. BASED UPON THE AUDITED FINANCIAL STATEMENTS OF DECEMBER 31, 2010, THE FRANCHISOR HAD ONLY \$329,103.99 IN CURRENT ASSETS AND HAD \$517,608.36 IN CURRENT LIABILITIES. THIS MEANS THAT FOR EVERY DOLLAR OF LIABILITIES DUE WITHIN ONE YEAR, THE FRANCHISOR HAS ONLY \$ 0.64 IN CURRENT ASSETS. SINCE ITS INCEPTION, THE FRANCHISOR HAS LOST \$2,064,155.07. CAUSING IT TO HAVE AN EQUITY NET WORTH OF \$165,883.99. FRANCHISOR'S WORKING CAPITAL IS \$188,504.37.

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