

AUG 27 2012

**FRANCHISE OFFERING CIRCULAR****GBM FRANCHISE, INC.**

A Delaware Corporation
4030 Sports Arena Blvd.
San Diego, California 92110
(858) 361-9491
www.gbmfranchise.com

The franchise offered is for the establishment and operation of a specialty retail outlet providing gems and beads targeted to the women's fashion market at outstanding prices directly to the consumer that includes books about making jewelry, wires, jewelry tools, hobby tools, a variety of gemstones, crystals, all kind of custom jewelry, local artist jewelry, other related crafts and jewelry items, and also offering customers annual memberships for discounted jewelry purchases and VIP discount cards to store owners and professional jewelry designers

Franchises can be established in 2 ways as a small market unit or as a large market unit. The total investment necessary to begin operations of a Gem and Bead Mall small market unit franchise is \$177,985 to \$330,950. This includes a \$32,500 franchise fee that must be paid to the franchisor or affiliate. The total investment necessary to begin operations of a Gem and Bead Mall large market unit franchise is \$290,235 to \$449,450. This includes a \$32,500 franchise fee that 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 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 Yuen Mao, 4030 Sports Arena Blvd., San Diego, California 92110, (858) 361-9491.

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 contracts 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.



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 REQUIRES THAT MOST DISPUTES BE SUBMITTED TO ARBITRATION IN SAN DIEGO COUNTY, CALIFORNIA. 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 CALIFORNIA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND CALIFORNIA LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE'S LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

The effective date for this Franchise Disclosure Document for your state is listed on the "State Effective Dates" page on the following page.



STATE EFFECTIVE DATES

The states listed below may require registration or filing of this Disclosure Document. If this offering is registered in any of these states, the effective date of the registration may differ from the date of issuance of this Disclosure Document as stated below. Some of these states may require different or additional disclosures or revisions to the agreement. The effective date of this Disclosure Document for any state that is not included in this list is as shown on the cover of this Disclosure Document. (See the State Addenda to this Disclosure Document for certain states.)

California	Effective Date	_____
Connecticut	Effective Date	_____
Florida	Effective Date	_____
Hawaii	Effective Date	_____
Illinois	Effective Date	_____
Indiana	Effective Date	_____
Kentucky	Effective Date	_____
Maine	Effective Date	_____
Maryland	Effective Date	_____
Michigan	Effective Date	_____
Minnesota	Effective Date	_____
Nebraska	Effective Date	_____
New York	Effective Date	_____
North Carolina	Effective Date	_____
North Dakota	Effective Date	_____
Rhode Island	Effective Date	_____
South Carolina	Effective Date	_____
South Dakota	Effective Date	_____
Texas	Effective Date	_____
Utah	Effective Date	_____

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