



FRANCHISE DISCLOSURE DOCUMENT

GOLDEN KRUST FRANCHISING, INC.
d/b/a Golden Krust Caribbean Bakery & Grill
A New York Corporation
3958 Park Avenue
Bronx, New York 10457
(718) 655-7878
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www.goldenkrustbakery.com

DEPARTMENT OF CORPORATIONS
RECEIVED LOS ANGELES OFFICE

AUG 15 2012

As a franchisee, you will operate a Caribbean-style restaurant offering and serving a variety of Caribbean baked goods and featuring Jamaican patties and jerk chicken.

The total investment necessary to begin operation of a Golden Krust Caribbean Bakery & Grill franchised business is from \$173,400 to \$564,000 for a traditional restaurant and from \$185,000 to \$387,500 for a kiosk. This includes \$25,000 that must be paid to the Franchisor for a traditional restaurant and \$15,000.00 that must be paid to the Franchisor for a kiosk. You must also purchase adequate opening inventory in the approximate amount of \$6,000 to \$12,000. If we oversee the construction and development of your traditional restaurant or kiosk and you sign our Development Agreement, you will pay us a development fee of \$8,500.

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 the Franchise Department at 3958 Park Avenue, Bronx, New York 10457 (718) 655-7878.

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

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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 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 ALL DISAGREEMENTS BE SETTLED BY ARBITRATION AND/OR LITIGATION IN NEW YORK. 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 NEW YORK THAN IN YOUR HOME STATE.**
- 2. THE FRANCHISE AGREEMENT STATES THAT NEW YORK LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
- 3. THE FRANCHISEE WILL NOT BE GRANTED ANY EXCLUSIVE TERRITORY.**
- 4. THE FRANCHISEE'S SPOUSE, MUST SIGN THE FRANCHISE AGREEMENT, AND THE SPOUSE OF EACH FRANCHISE OWNER MUST SIGN A PERSONAL GUARANTY OF THE FRANCHISE OBLIGATIONS. SUCH SPOUSES ARE JOINTLY AND SEVERABLY LIABLE FOR ALL DEBTS OF THE FRANCHISE, WHETHER OR NOT INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS. THESE REQUIREMENTS PLACE THE PERSONAL ASSETS OF THE FRANCHISE OWNERS AND SPOUSES AT RISK.**

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