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DEPT OF CORPORATION  
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299 Marsh St.  
San Luis Obispo, Ca 93401  
805.542.0255  
email bread@houseofbread.com

## FRANCHISE DISCLOSURE DOCUMENT 2012

House of Bread bakery café is a corporation with principal business address of 299 Marsh St., San Luis Obispo, California 93401. Telephone is 805.542.0255 and email address is bread@houseofbread.com.

The business trademark is the name House of Bread.

The franchisee will operate a specialty bread bakery cafe offering healthy, low-fat, and deliciously baked goods and sandwiches.

The total estimated initial investment ranges from \$157,000 to \$347,000 for one unit. This includes the franchise fee that is paid to the franchisor. The initial franchise fee is \$32,000 for one franchise. HOB does offer a Multi-Unit franchise agreement. The first franchise unit is \$32,000, the second unit is \$16,000 and third unit is \$8,000. The minimum franchise fee for a multiple unit franchise agreement of two units is \$48,000 and the maximum franchise fee for a multiple unit franchise agreement of three units is \$56,000.

The disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this 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.**

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, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://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.

Issuance Date: \_\_\_\_\_

### **Risk Factors:**

THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO ARBITRATE WITH OR TO SUE HOUSE OF BREAD ONLY IN CALIFORNIA. OUT OF STATE ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE OR SUE HOUSE OF BREAD IN CALIFORNIA THAN IN YOUR HOME STATE.

THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA 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.

**Registration of this franchise by a state does not constitute approval, recommendation or endorsement by the commissioner.** If you learn that anything in this offering circular is untrue, contact the Federal Trade Commission, California Department of Corporations and the Attorney General's Office.

THE CALIFORNIA INVESTMENT FRANCHISE LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS BE RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

## **STATE COVER PAGE**

Your state may have a franchise law that requires a franchisor to register or file with a state 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.**

Information comparing franchisors is available. Call the state administrators at (916) 445-7205 or write Franchise Division Department of Corporations 1515 "K" Street, Sacramento, CA 95814 and the California Consumer Law section at Attorney General's Office 1515 "K" St. Sacramento, CA 95815 (916) 445-9555. Also your public library contains sources of information about the franchisor, or about franchising in your state.

**MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPERIES. 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 LITIGATION/ARBITRATION/MEDIATION ONLY IN CALIFORNIA. OUT OF STATE LITIGATION/ARBITRATION/MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE/ARBITRATE/MEDIATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.**
2. **THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA 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. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

We use the services of one or more **FRANCHISE BROKERS** or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: \_\_\_\_\_

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