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OCT 10 2013

FRANCHISE DISCLOSURE DOCUMENT



Praise IAG Franchisor, LLC
A California limited liability company
14071 Santa Fe Springs Rd
Santa Fe Springs, California 90670
Telephone Number (949) 752-5282
www.itsagrind.com

The franchise offered in this Disclosure Document is for the operation of a single, full service retail specialty coffee beverage store offering fresh roasted specialty whole bean coffees, traditional and espresso-based coffee drinks, iced and blended coffee drinks, tea and tea-based drinks, fruit smoothies, breakfast items, sandwiches, salads and assorted bakery products, using the "It's A Grind" trade name and franchise system

The total investment necessary to begin operation of an It's A Grind Store ranges from \$322,000 to \$521,500, including, typically, \$25,000 to \$37,500 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of an It's A Grind Kiosk is approximately \$235,800 to \$334,750, including, typically, \$18,750 to \$21,250 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of an It's A Grind Cart is \$90,006 to \$267,172, including, typically, \$10,000 that must be paid to the franchisor or its affiliates. (We only offer It's A Grind Cart franchises to existing franchisees of It's A Grind Stores.)

If you purchase an existing Company-Owned It's A Grind Store, you must also purchase the assets of the business from our affiliate, which may include furniture, fixtures, equipment, supplies and inventory (in addition to payment of the initial franchise fee) for a price to be negotiated between you and our affiliate which will vary from unit to unit but typically ranges from approximately \$25,000 to \$450,000 for an It's A Grind Store and \$50,000 to \$175,000 for an It's A Grind Kiosk.

If you sublease your site from our affiliate, you will be required to pay a security deposit, which will usually range from \$5,000 to \$15,000, depending on the economic and other terms of the sublease, the lease under which our affiliate holds the property and other factors.

If you sign an Area Development Agreement, you will pay a development fee equal to the sum of (i) \$17,000 for each It's A Grind Store to be developed under the Area Development Agreement if you choose to develop 3 or 4 It's A Grind Stores; (ii) \$15,000 for each It's A Grind Store to be developed under the Area Development Agreement if you choose to develop 5, 6, 7, 8 or 9 It's A Grind Stores under the Area Development Agreement; or \$10,000 for each It's A Grind Store to be developed under the Area Development Agreement if you choose to develop 10 or more It's A Grind Stores under the Area Development Agreement.

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.**

It's A Grind FDD 20130930

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, please contact Nedda Safi, at Praise IAG Franchisor, LLC, 14071 Santa Fe Springs Rd, Santa Fe Springs, California 90670 or at (949) 752-5282

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 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.

Date of Issuance September 30, 2013

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. If you learn that anything in this disclosure document is untrue, contact the Federal Trade Commission and the state administrators listed on Exhibit A

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 AND THE AREA DEVELOPMENT AGREEMENT CONTAIN A MANDATORY BINDING ARBITRATION CLAUSE GOVERNING NEARLY ALL DISPUTES BETWEEN YOU AND US, AND ALSO PROVIDES FOR A FACE-TO-FACE MEETING AND MEDIATION TO SETTLE DISPUTES. THE FACE-TO-FACE MEETING, MEDIATION, BINDING ARBITRATION (AND ANY LITIGATION) AND ANY ARBITRATION APPEAL WILL TAKE PLACE IN THE COUNTY IN WHICH OUR THEN-CURRENT HEADQUARTERS IS LOCATED, AND THAT MAY COST YOU MORE (AND BE LESS CONVENIENT) THAN IF THOSE PROCEEDINGS TOOK PLACE NEAR YOUR RESIDENCE OR BUSINESS. COSTS OF THE FACE-TO-FACE MEETING, MEDIATION, ARBITRATION AND ANY ARBITRATION APPEAL MAY BE GREATER THAN IN LITIGATION. YOU AND WE WILL GENERALLY BEAR EACH OF OUR OWN COSTS IN ANY DISPUTE, BUT THE ARBITRATOR CAN ASSESS COSTS (BUT NOT ATTORNEY'S FEES) AGAINST A LOSING PARTY. IF YOU ARE A CORPORATION, PARTNERSHIP OR LIMITED LIABILITY COMPANY, WE WILL REQUIRE EACH OWNER OF A 10% OR MORE INTEREST IN YOU AND HIS/HER SPOUSE TO SIGN A GUARANTY AND ASSUMPTION OF OBLIGATIONS OF YOUR OBLIGATIONS CAUSING EACH OWNER (AND THE OWNERS' SPOUSE) TO BECOME JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF OWNERS AND SPOUSES AT RISK
- 2 THE FRANCHISE AGREEMENT PROVIDES THAT THE LAWS OF THE STATE OF CALIFORNIA GOVERN THE AGREEMENT AND THAT LAW MAY NOT PROVIDE YOU WITH THE SAME RIGHTS AND PROTECTIONS AS YOUR LOCAL LAW. YOU MAY WANT TO CONSULT AN ATTORNEY REGARDING COMPARISON OF THESE LAWS
- 3 THERE MAY BE OTHER RISKS CONCERNING THE FRANCHISE.

The effective dates of this disclosure document in the states with franchise registration laws in which we have sought registration or exemption appear on the following page

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