

FRANCHISE DISCLOSURE DOCUMENT

Kale Me Crazy Franchising, Inc. A Georgia corporation 358 W. Ponce de Leon Avenue Decatur, Georgia 30030 (404) 458-1211; Franchising@kalemecrazy.net kalemecrazy.net



The franchisor offers a franchise license to operate at a single location a juice bar that specializes in selling smoothies and pressed juices featuring vegetables, fruits and other super foods, as well as selling high quality salads and wraps. These stores operate under the name "Kale Me Crazy".

Franchisor also offers a Multi-Unit Development Agreement, in which you may purchase the right to develop two, three, or four Kale Me Crazy Units in a specified area.

The total investment necessary to begin operation of one Kale Me Crazy is \$239,290 to \$312,590. This includes \$40,000 that must be paid to the franchisor or its affiliates for one franchise. Multi-Unit Developers will pay us a total of \$72,500 for the right to open two Units; \$102,900 for the right to open three Units; and \$126,020 for the right to open four Units.

This disclosure document summarizes certain provisions of your Franchise Agreement and Multi Unit Development 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 Roi Shlomo at 358 West Ponce de Leon Avenue, Decatur, GA 30030 or call (404) 458-1211.

The terms of your contract will govern your franchise relationship. Do not 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 <u>www.ftc.gov</u> 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: April 25, 2017



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 <u>Exhibit C</u> 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 THAT THE FRANCHISEE LITIGATE AND ARBITRATE DISAGREEMENTS WITH THE FRANCHISOR ONLY IN THE STATE OF GEORGIA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE OR ARBITRATE WITH THE FRANCHISOR IN GEORGIA THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT GEORGIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW.

3. UPON TERMINATION OF THE FRANCHISE AGREEMENT DUE TO DEFAULT OF THE FRANCHISEE, LIQUIDATED DAMAGES WOULD BE DUE TO THE FRANCHISOR.

4. IF YOU AGREE TO BECOME A MULTI-UNIT DEVELOPER AND FAIL TO DEVELOP ANY UNIT OR UNITS IN ACCORDANCE WITH THE DEVELOPMENT SCHEDULE, YOU WILL LOSE ANY UNAPPLIED PORTION OF YOUR INITIAL FRANCHISE FEE (FOR UNITS NOT OPENED).

5. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$239,290 TO \$312,590. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2016 WHICH IS \$48,275.

6. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.

7. 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 make sure to do your own investigation of the franchise.

2017 FDD and FA v.2RL



ATTACHMENT 1

The effective dates of registration of this Franchise Disclosure Document or exemption in the states listed below are:

Stat e	Effective Date
California	
Florida (exemption)	
Hawaii	
Illinois	
Indiana	
Kentucky (exemption)	
Maryland	August 3, 2016
Michigan	
Minnesota	
Nebraska (exemption)	
New York	
North Dakota	
Rhode Island	
South Dakota	
Texas (exemption)	
Utah (exemption)	
Virginia	September 6, 2016
Washington	
Wisconsin	

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