

MAR 16 2018

Department of Business Oversight

FRANCHISE DISCLOSURE DOCUMENT



KINGS ROAD COFFEE

ESTABLISHED 1990

KINGS ROAD FRANCHISING LLC
(a Colorado limited liability company)

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E-mail: lawrencecasperson@yahoo.com

www.kingsroadfranchising.com

www.kingsroadcoffee.com

Kings Road Franchising LLC, a Colorado limited liability company, is offering franchises for the operation of neighborhood style coffee shop featuring Kings Road's special blends of coffees, espresso drinks, teas and related drinks, and a limited menu of easy-to-prepare breakfast and lunch items.

The total estimated investment necessary to begin operation of a KINGS ROAD Espresso Bar franchise ranges from \$185,500 to \$315,000. This includes between \$51,000 to \$52,000 that must be paid to the franchisor or affiliates. See Items 5 and 7. We also grant to qualified persons rights to a specific geographic area in which to develop a predetermined number of KINGS ROAD Espresso Bars under a Multi-Unit Development Agreement. If you sign a Multi-Unit Development Agreement, in addition to payment of the initial franchise fee for the first KINGS ROAD Espresso Bar, you pay a Development Fee of \$15,000 for each additional KINGS ROAD Espresso Bar to be developed, which is later applied to the initial franchise fees due for the additional KINGS ROAD Espresso Bar.

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 Marc Geman at 2111 South Trenton Way, Unit 101, Denver, Colorado or 303-810-1212.

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 "Buying a Franchise: A Consumer Guide," 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.

ISSUANCE DATE: March 14, 2018

FOR USE IN: AL, AK, AZ, AR, CA, CO, DE, DC, ID, IA, KS, KY, MA, MS, MO, MT, NV, NH, NJ, NM, OH, OK, OR, PA, TN, TX, VT, WV, WY, and U.S. TERRITORIES.

NOT FOR USE IN: CT, GA, FL, HI, IL, IN, LA, ME, MD, MI, MN, NE, NY, NC, ND, RI, SC, SD, UT, VA, WA, and WI.

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 K 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 YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN COLORADO. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN COLORADO THAN IN YOUR OWN STATE.**
- 2. THE FRANCHISE AGREEMENT STATES THAT COLORADO 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 reserve the right to 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.

The effective dates of this Disclosure Document in the states with registration laws are:

CA: _____

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