

FRANCHISE DISCLOSURE DOCUMENT



**KRISPY KREME DOUGHNUT
CORPORATION**
370 Knollwood Street
Winston-Salem, North Carolina 27103
1-888-249-2726
www.krispykreme.com

This Franchise Disclosure Document (“Disclosure Document”) is for a Krispy Kreme Doughnut franchise. Krispy Kreme Stores (“Krispy Kreme Stores” or “Stores”) offer and serve a variety of doughnuts, beverages, and other related products and services. Franchises for Krispy Kreme Stores are offered in 4 different Store formats: Factory Stores, Tunnel Oven Shops, Fresh Shops, and Box Shops. Franchises are also offered for Commissary Facilities that produce doughnut products for Tunnel Oven Shops and Fresh Shops.

The total initial investment necessary to begin operation ranges from \$1,287,500 to \$2,750,000 for a Factory Store; \$558,500 to \$1,500,000 for a Tunnel Oven Shop; \$440,500 to \$1,200,000 for a Fresh Shop; \$200,500 to \$453,000 for a Box Shop; and \$1,617,500 to \$4,115,000 for a Commissary Facility. These totals include the following amounts that must be paid to us as initial fees and for a variety of goods and services, as follows: for a Factory Store, \$355,000 to \$580,000; for a Tunnel Oven Shop, \$91,000 to \$134,000; for a Fresh Shop, \$30,000 to \$33,000; for a Box Shop, \$30,000 to \$33,000; and for a Commissary Facility, \$355,000 to \$1,070,000.

This Disclosure Document summarizes in plain English certain provisions of your franchise agreement and other information. 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, us or our affiliate in connection with the franchise sale. **Note, however, that no governmental agency has verified the information contained in this Disclosure 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 Lisa Brown at 370 Knollwood Street, Winston-Salem, North Carolina 27103 or 1-888-249-2726.

The terms of your Franchise Agreement, any Development Agreement and any Commissary Facility Agreement (the “Agreements”) will govern our franchise relationship. Do not rely on this Disclosure Document alone to understand your Agreements with us. Read all your Agreements carefully. Show 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.

Date of Issuance: July 30, 2019, as amended February 3, 2020

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, COMMISSARY FACILITY AGREEMENT AND DEVELOPMENT AGREEMENT PERMIT YOU TO LITIGATE WITH US ONLY IN NORTH CAROLINA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE WITH US IN NORTH CAROLINA THAN IN YOUR HOME STATE.**
2. **THE FRANCHISE AGREEMENT, COMMISSARY FACILITY AGREEMENT AND DEVELOPMENT AGREEMENT STATE THAT NORTH CAROLINA 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.**

NOTE: The agreement provisions referred to in the risk factors may be void under some state franchise laws, and some state franchise laws may require disclosure of additional risk factors (see Exhibit H) or revisions to the agreements (see Exhibits I-1 and I-2).

See the following State Registrations page for state registration effective dates.

KRISPY KREME DOUGHNUT CORPORATION
STATE REGISTRATIONS

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

STATE	EFFECTIVE DATE
California	July 30, 2019, as amended February 3, 2020
Hawaii	Not currently registered
Illinois	July 30, 2019, as amended February 3, 2020
Indiana	August 5, 2019, as amended February 3, 2020
Maryland	August 13, 2019, as amended February 3, 2020
Michigan	July 30, 2019, as amended February 3, 2020
Minnesota	September 26, 2019, as amended _____ [pending] _____, 2020
New York	July 30, 2019, as amended February 3, 2020
North Dakota	August 6, 2019, as amended February 3, 2020
Oregon	July 30, 2019, as amended February 3, 2020
Rhode Island	September 10, 2019, as amended February 3, 2020
South Dakota	August 6, 2019, as amended February 3, 2020
Utah	August 13, 2019, as amended February 3, 2020
Virginia	September 17, 2019, as amended February 3, 2020
Washington	August 26, 2019, as amended February 3, 2020
Wisconsin	August 29, 2019, as amended _____ [pending] _____, 2020

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