

## FRANCHISE DISCLOSURE DOCUMENT LIQUID NUTRITION FRANCHISING LLC

A Delaware Limited Liability Company 60 Belvedere Road Westmount, Quebec, Canada, H3Y-1P8 (514) 932-7555 www.liquidnutrition.com JAN 2 0 2015

Dept | f Business Oversight



The franchise offered is for the establishment and operation of a nutritional food, smoothie, juice, vitamins and supplement store combining a health food bar offering functional beverages such as nutritional and meal-replacement smoothies, juices, other nutritional drinks and healthy on-the-go food items with a health supplement and vitamin retail business (each, a "Liquid Nutrition Store" or "Store")

We grant franchisees the right to open a single "Liquid Nutrition Store" The total investment necessary to begin operation of a Liquid Nutrition franchise in a traditional storefront or kiosk location ranges from \$217,350 to \$288,400. This includes \$51,500 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of a Liquid Nutrition franchise in a countertop location ranges from \$145,550 to \$175,800. This includes \$51,500 that must be paid to the franchisor or affiliate.

We also offer to qualified individuals the right to operate multiple Stores under a development agreement ("Development Agreement"). You must pay an initial development fee that will vary based on the number of Stores we grant you the right to open (the "Development Fee"). The estimated initial investment required for the establishment of your first traditional storefront or kiosk Liquid Nutrition Store under a Development Agreement where you agree to open three (3) Stores ranges from \$292,850 to \$363,900, which includes \$127,000 paid to us or our affiliates. The estimated initial investment required for the establishment of your first countertop Liquid Nutrition Store under a Development Agreement where you agree to open three (3) Stores ranges from \$221,050 to \$251,300, which includes \$127,000 paid to us or our affiliates



This Disclosure Document summarizes certain provisions of your Franchise Agreement, 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 Mike Ades, 60 Belvedere Road, Westmount, Quebec, Canada, H3Y-1P8, (514) 932-7555

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

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## 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 THE 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

- THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT REQUIRE THAT MOST DISPUTES BE SUBMITTED TO MEDIATION NEAREST TO OUR PRIMARY PLACE OF BUSINESS IN THE UNITED STATES OUT OF STATE MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO MEDIATE WITH US IN OUR HOME STATE THAN IN YOUR HOME STATE
- 2 THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATE THAT DELAWARE LAW GOVERNS THE AGREEMENT, AND DELAWARE LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE'S LAW YOU MAY WANT TO COMPARE THESE LAWS
- 3 THE FRANCHISE AGREEMENT REQUIRES BOTH YOU AND YOUR SPOUSE TO SIGN A PERSONAL GUARANTY MAKING THE SPOUSE JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS UNDER THE FRANCHISE

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