

FRANCHISE DISCLOSURE DOCUMENT

MONSTER YOGURT, LLC A Texas limited liability company 9540 Garland Road, Suite 394 Dallas, Texas 75218 214-443-4900 franchise@scarytastesgood.com



FRANCHISOR ("Monster Yogurt") is a unique frozen yogurt franchise concept. All Monster Yogurt franchises offer over 80 rotating premium self-serve frozen yogurt, European Tart, Gelato and sorbet flavors, and a bounty of over 75 toppings. The toppings are also sold by the ounce in a convenient bag to mix and match. Each franchise sells a large rotating variety of hard to find specialty sodas and other beverages from small bottlers from around the globe. Monster Yogurt franchises also include comfortable seating, complimentary Wi-Fi, indoor playground equipment and are designed to offer a separate "party room" where customers can host birthday parties, events, and other celebrations. Franchisees are encouraged to get involved in their local community through the Coffee Bar Charity. Monster Yogurt customers are invited to come on down for a sticky, gooey, deliciously disgusting scary yogurt creation that only they will love!

The total investment necessary to begin operation of a Monster Yogurt franchise is \$304,920 up to \$571,520 dollars. This sum includes the initial franchise fee of \$23,000 and the initial retail inventory purchase of \$1,200 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make payments to, the franchisor or an affiliate in connection with the proposed franchise sale. Note, however, that no government agency has verified the information contained in this document.

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different forms, contact Monster Yogurt's franchise group by mail at 9540 Garland Road, Suite 394, Dallas, Texas 75218, by phone at 214-443-4900 or email us at franchise@scarytastesgood.com.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire 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 "<u>A Consumer's Guide to Buying a Franchise</u>," 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 agency about them.

ISSUED: MAY 15, 2015



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**" if you learn that anything in this disclosure document is untrue, or 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 MONSTER YOGURT THROUGH BINDING ARBITRATION ONLY IN DALLAS, TEXAS, OR AT SUCH OTHER PLACE AS MAY BE MUTUALLY AGREEABLE TO THE PARTIES. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH MONSTER YOGURT IN DALLAS, TEXAS THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT THE LAWS OF THE STATE OF TEXAS GOVERN THE AGREEMENT. TO THE EXTENT NOT SUBJECT TO ARBITRATION, ANY CAUSE OF ACTION, CLAIM, SUIT OR DEMAND MUST BE BROUGHT IN A DALLAS COUNTY DISTRICT COURT, (COURT NUMBER VARIES BASED ON RANDOM ASSIGNMENT) JUDICIAL DISTRICT, DALLAS, TEXAS. IT MAY COST MORE TO LITIGATE WITH MONSTER YOGURT IN DALLAS, TEXAS THAN IN YOUR HOME STATE. EVEN THOUGH THE FRANCHISE AGREEMENT PROVIDES THAT TEXAS LAW APPLIES, LOCAL LAW MAY SUPERCEDE IT IN YOUR STATE. PLEASE REFER TO ANY STATE-SPECIFIC ADDENDUM THAT MAY BE ATTACHED TO THE DISCLOSURE DOCUMENT FOR DETAILS.

3. THIS IS A NEW FRANCHISE OFFERING; MONSTER YOGURT IS DEPENDENT ON THE SALE OF FRANCHISES AND THE ACCEPTANCE OF ITS SERVICES AND PRODUCTS IN THE MARKETPLACE; AND MONSTER YOGURT HAS NOT OFFERED FRANCHISES IN THE PAST.

4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

EFFECTIVE DATE: MAY 15, 2015



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INFORMATION FOR PROSPECTIVE FRANCHISEES REQUIRED BY THE U.S. FEDERAL TRADE COMMISSION

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To protect you, we've required your franchisor to give you this information. *We haven't checked it, and don't know if it's correct*. It should help you make up your mind. Study it carefully. While it includes some information about your contract, don't rely on it alone to understand your contract. Read your entire contract carefully. Buying a franchise is a complicated investment. Take time to decide. If possible, show your contract and this information to an advisor, like a lawyer or an accountant. If you find anything you think may be wrong or anything important that's been left out, you should let us know about it. It may be against the law.

There may also be laws on franchising in your state. Ask your state agencies about them.

FEDERAL TRADE COMMISSION

Washington, D.C.

Date of Issuance: May 15, 2015

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