

DEPARTMENT OF CORPORATIONS
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PRETZELMAKER.
Freshness With A Twist.

FRANCHISE DISCLOSURE DOCUMENT

Franchisor

PM Franchising, LLC
A Delaware limited liability company
1346 Oakbrook Drive, Suite 170
Norcross, Georgia 30093
(770) 514-4500
franchiseinfo@gfgmanagement.com
www.pretzelmaker.com



FRANCHISE DISCLOSURE DOCUMENT

PM Franchising, LLC ("we," "us," or "our") offers franchises for the operation of Pretzelmaker® stores that offer soft pretzels, pretzel toppings, beverages and other food products under the Pretzelmaker mark ("Stores")

Your initial investment ranges from \$104,300 to \$224,950 for a Traditional Store or a Non-Traditional Store, and \$44,550 to \$127,144 for a Satellite. This includes \$6,000 to \$38,000 that must be paid to us or our affiliates (including the initial fees of \$30,000 to \$33,000 that must be paid to us or our affiliates for a Traditional Store or \$15,000 to \$18,000 for a Non-Traditional Store, or \$5,000 for a Satellite, and an initial inventory of dough ingredients for Traditional and Non-Traditional Stores)

The total investment necessary to begin operation of a PRETZELMAKER Area Development franchise is \$52,500 and up. This includes \$52,500 or more that must be paid to us or our affiliates.

This Franchise Disclosure Document ("Disclosure Document") summarizes certain provisions of your Franchise Agreement, Area 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 Patricia L. Cobb at 1346 Oakbrook Drive, Suite 170, Norcross, Georgia 30093 (Tel. 770-514-4500).

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

We issued this Disclosure Document on April 1, 2012.

STATE COVER PAGE

Your state may have a franchise law that requires us 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 G 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 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 TO RENEW.

Please consider the following **RISK FACTORS** before you buy this franchise.

- 1. THE FRANCHISE AGREEMENT AND THE AREA DEVELOPMENT AGREEMENT, REQUIRE YOU TO RESOLVE DISPUTES WITH US BY LITIGATION IN DELAWARE. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT ALSO MAY COST MORE TO LITIGATE IN DELAWARE THAN IN YOUR HOME STATE.**
- 2. THE FRANCHISE AGREEMENT AND THE AREA DEVELOPMENT AGREEMENT, STATE THAT DELAWARE LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
- 3. SPOUSES OF FRANCHISE OWNERS MUST SIGN A PERSONAL GUARANTY AND BE BOUND BY THE TERMS OF THE FRANCHISE AGREEMENT, PLACING THEIR PERSONAL ASSETS AT RISK.**
- 4. THE FRANCHISE AGREEMENT PROVIDES FOR YOUR PAYMENT OF LIQUIDATED DAMAGES IF WE TERMINATE THE FRANCHISE AGREEMENT FOR CAUSE.**
- 5. YOU MUST OFFER THE SPECIFIC BRAND AND/OR PRODUCT MIX WE REQUIRE. WE MAY CHANGE THE AUTHORIZED PRODUCTS AND SERVICES AT OUR DISCRETION. WE HAVE THE RIGHT TO AUTOMATICALLY ORDER AND SHIP TO YOU INVENTORY AND PROMOTIONAL ITEMS.**
- 6. PLEASE NOTE THAT 77.9% OF PM FRANCHISING, LLC'S ASSETS ARE INTANGIBLE. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.**
- 7. YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL.**
- 8. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

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