

FRANCHISE DISCLOSURE DOCUMENT

Nothing Bundt Franchising, LLC a Nevada limited liability company 4560 Belt Line #350 Addison, Texas 75001 (866) 482-8638 Website: www.nothingbundtcakes.com E-mail: gayle.longmore@nothingbundtcakes.com



The franchise is to operate gourmet bakeries offering and selling specialty bundt cakes, other food items, and retail merchandise under the "Nothing Bundt Cakes®" mark.

The total investment necessary to begin operation of a Nothing Bundt Cakes® Bakery is \$408,187 to \$588,587, excluding extension fees. This includes \$50,100 to \$58,000 that must be paid to the franchisor and its affiliate.

Franchisor also offers an Area Development Agreement for the establishment and operation of multiple Nothing Bundt Cakes[®] Bakeries in a specified development area. The Area Development Fee is \$30,000 for the first Bakery developed under the Area Development Agreement and \$25,000 for each additional bakery developed under the Area Development Agreement. The total investment necessary to begin operation of the first Bakery under an area development business is \$408,187 to \$588,587, excluding extension fees. This includes \$50,100 to \$58,000 that must be paid to franchisor or an affiliate in connection with opening the first Bakery.

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 the 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 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 for you. To discuss the availability of disclosures in different formats, contact Gayle Longmore at 4560 Belt Line Road, Suite 350, Addison, Texas 75001 and (866) 482-8638.

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, DC 20580. You can also visit the FTC's home page at

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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 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 AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US, AT OUR OPTION, BY MEDIATION ONLY IN DALLAS, TEXAS. 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 TEXAS THAN IN YOUR OWN STATE.
- 2. CERTAIN DISPUTES WITH US NOT SUBJECT TO MEDIATION MUST BE RESOLVED BY LITIGATION IN DALLAS, TEXAS. IT MAY COST YOU MORE TO LITIGATE WITH US IN TEXAS THAN IN YOUR OWN STATE.
- 3. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT THEY ARE GOVERNED BY TEXAS LAW, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 4. THE FRANCHISEE'S SPOUSE MUST SIGN A PERSONAL GUARANTY MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT WHICH ALSO PLACES THE SPOUSES MARITAL AND PERSONAL ASSETS AT RISK. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
- 5. WE HAVE THE RIGHT TO TERMINATE YOUR FRANCHISE AGREEMENT IF YOU FAIL TO MEET THE MINIMUM NET REVENUE REQUIREMENT IN ANY PERFORMANCE PERIOD.
- 6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. Any franchise broker or referral source is <u>our</u> agent and 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.

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