

PEOPLES ORGANIC COFFEE®

PEOPLES ORGANIC®

FRANCHISE DISCLOSURE DOCUMENT

PEOPLES ORGANIC COFFEE FRANCHISING COMPANY, LLC
A Delaware Limited Liability Company
1101 Moller Drive NW
Gig Harbor, WA 98332
612-865-4005
www.peoplesorganic.com

Received
LA Mailroom

MAY 22 2015

Department of
Business Oversight

We offer single unit franchises for the establishment and operation of Cafes that operate under the PEOPLES ORGANIC COFFEE® mark or PEOPLES ORGANIC® mark and specialize in offering organic coffee, natural and organic bakery and food items, other food and drink items, and, in some cases, alcoholic beverages. The name used on a Cafe will depend upon such factors as the Cafe location, size and type, the Cafe system used, menu items offered and whether a commissary is used.

If your Cafe is a Full Cafe, the total investment necessary to begin operation of the Cafe is \$438,000 to \$1,222,000 (not including cost of real estate or obtaining a liquor license). This includes \$35,000 that must be paid to us.

If your Cafe is a Quick-Service Cafe, the total investment necessary to begin operation of the Cafe is \$433,000 to \$1,112,000 (not including the cost of real estate or obtaining a liquor license). This includes \$30,000 that must be paid to us.

If your Cafe is a Kiosk Café, the total investment necessary to begin operation of the Cafe is \$179,500 to \$306,500 (not including the cost of real estate or obtaining a liquor license). This includes \$20,000 that must be paid to us.

We also offer area developer franchises to qualified parties who wish to develop multiple Cafes within a specific geographic area under the terms of a development agreement. If you sign a development agreement, the total investment necessary to begin operation of your business is from \$15,000 to \$75,000, all of which must be paid to us.

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 this disclosure document at least 14 calendar days before you sign a binding agreement with or make any payment to, the franchisor or any 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 Stacy House at PEOPLES ORGANIC COFFEE FRANCHISING COMPANY, LLC, 1101 Moller Drive NW, Gig Harbor, WA 98332, 858-353-2908.

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 THIS DISCLOSURE DOCUMENT.**

Call the state franchise administrator listed in Exhibit E 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 DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND LITIGATION ONLY IN THE STATE OF MINNESOTA. OUT-OF-STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE WITH US IN THE STATE OF MINNESOTA, AND LITIGATE WITH US IN HENNEPIN COUNTY, MINNESOTA, THAN IN YOUR HOME STATE.**

2. **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. A franchise broker or referral source 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.

The effective dates of this disclosure document in the states with franchise registration laws in which we have sought registration or exemption appear on the following page:

Issuance Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the disclosure document be registered or filed with the state, or be exempt from registration California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin

This disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

State	Effective Date
California	Pending
Michigan	May 22 2015
Minnesota	Pending
Washington	See separate FDD

In the states listed below, the effective date (and issuance date) of this disclosure document is May 20, 2015

Alabama	Kentucky	Ohio
Alaska	Louisiana	Oklahoma
Arizona	Maine	Oregon
Arkansas	Massachusetts	Pennsylvania
Colorado	Mississippi	South Carolina
Connecticut	Missouri	Tennessee
Delaware	Montana	Texas
District of Columbia	Nebraska	Utah
Florida	Nevada	Vermont
Georgia	New Hampshire	West Virginia
Idaho	New Jersey	Wyoming
Iowa	New Mexico	
Kansas	North Carolina	

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