

FRANCHISE DISCLOSURE DOCUMENT



RED MANGO FC, LLC
A Texas, limited liability company
2811 McKinney Avenue, Suite 18
Dallas, Texas 75204
214-302-5910
www.redmangofranchising.com
www.redisreal.com
<http://www.facebook.com/redmango>
<http://twitter.com/redmango>

You will operate an upscale retail frozen yogurt store offering authentic nonfat frozen yogurt served with fresh fruit, nuts and other toppings, yogurt-based drinks and fruit smoothies, probiotic drinks, yogurt-related food items and related products and services to health-conscious consumers for dine-in consumption and take-out service under the trade name RED MANGO®.

The total investment necessary to begin operation of a Traditional Self-Serve Store ranges from \$346,100 to \$495,600. The total investment necessary to begin operation of a Non-Traditional RED MANGO Store ranges from \$171,000 to \$390,000. This includes the \$22,500 to \$54,600 (depending on which type of Store you develop) that must be paid to the Franchisor or an affiliate for your first Store. If you are acquiring development rights under our standard store development program or our pioneer store development program, then you will sign our development agreement and, upon signing, you will pay us a development fee equal to 100% of the Initial Franchise Fee due for the first Store and 50% of the Initial Franchise Fee due for the of each additional Store you commit to develop under the development agreement.

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 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 for you. To discuss the availability of disclosures in different formats, contact Greg Kaloustian at 2811 McKinney Avenue, Suite 18, Dallas, Texas 75204 or 631.615.6711 ext. 101.

The terms of your contract will govern your franchise relationship. Do not 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 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 listed on Exhibit G 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.

Issuance Date: March 27, 2013

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 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 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 STORE DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION/LITIGATION, ONLY IN DALLAS, TEXAS. OUT OF STATE MEDIATION/LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE WITH US IN TEXAS THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT AND STORE DEVELOPMENT AGREEMENT STATE THAT TEXAS LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. AS OF DECEMBER 30, 2012, THE FRANCHISOR HAD ONLY \$3,350,568 IN CURRENT ASSETS AND HAD \$4,773,859 IN CURRENT LIABILITIES. THIS MEANS THAT FOR EVERY DOLLAR OF LIABILITIES DUE WITHIN ONE YEAR, THE FRANCHISOR HAS ONLY 70 CENTS IN CURRENT ASSETS. SINCE ITS INCEPTION, THE FRANCHISOR HAS HAD CUMULATIVE LOSSES, CAUSING IT TO HAVE A DEFICIT NET WORTH OF \$1,408,357.
4. THE CALIFORNIA CORPORATIONS COMMISSIONER HAS IMPOSED A FINANCIAL ASSURANCE REQUIREMENT ON THE FRANCHISOR. IF YOU WILL OPERATE THE FRANCHISE BUSINESS IN CALIFORNIA, THE FRANCHISOR WILL PLACE EACH OF THE INITIAL FEES DESCRIBED IN ITEM 5 OF THIS DISCLOSURE DOCUMENT THAT ARE PAID BY YOU INTO AN ESCROW ACCOUNT, TO BE HELD UNTIL WE HAVE COMPLETED ALL OF OUR PRE-OPENING OBLIGATIONS TO YOU AND YOU HAVE ENDED THE FIRST DAY THAT YOU OPEN YOUR FIRST RED MANGO STORE FOR BUSINESS.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We 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 make sure to do your own investigation of the franchise.

Effective Date: See State Effective Dates Page

RED MANGO FRANCHISING COMPANY

STATE EFFECTIVE DATES

The following states require that the Franchise 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 Franchise 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	April 3, 2013
Hawaii	
Illinois	
Indiana	April 1, 2013
Maryland	
Michigan	March 27, 2013
Minnesota	
New York	
North Dakota	
Rhode Island	April 10, 2013
South Dakota	
Virginia	
Washington	March 28, 2013
Wisconsin	April 8, 2013

In all other states, the effective date of this Franchise Disclosure Document is March 27, 2013.

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