

FRANCHISE DISCLOSURE DOCUMENT

ROBEKS FRANCHISE CORPORATION

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DEPARTMENT OF CORPORATIONS
RECEIVED LOS ANGELES OFFICE

MAY 01 2008



The franchise offered is for the operation of a ROBEKS® store which will feature nutritious food offerings including freshly prepared juices, smoothies, and other items.

The total estimated initial investment to open a ROBEKS® store is \$227,400 to \$360,100, which includes the following payments to us and our affiliates: (1) Initial Franchise Fee of \$30,000, (2) purchase of Proprietary Products and logo items of \$10,000 to \$15,200, and (3) \$500 for floor plan design.

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, us or an affiliate in connection with the proposed franchise sale. **Note, however that no government agency has verified the information contained in this document.**

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 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 www.ftc.gov for additional information on franchising.

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

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STATE COVERAGE 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.

We also offer you the right to enter into an Area Development Agreement. The only difference is that you have the right and the obligation to develop multiple Robeks Stores. The estimated initial investment under an Area Developer Agreement ranges from \$50,000 (for a five store agreement) to \$75,000 (for a ten store agreement) plus the initial investment for your first Store (\$227,400 to \$360,100) which includes initial fees payable to us (area fees, initial franchisee fee, purchase of Proprietary Products and logo items, and floor plan design) of \$80,500 to \$105,500.

Call the state franchise administrator listed in Exhibit A for information about the franchisor, about other franchisors, 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.

RISK FACTORS:

THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT EACH REQUIRE THAT MOST DISPUTES BE RESOLVED FIRST BY NON-BINDING MEDIATION, AND IF THAT PROCESS DOES NOT RESULT IN RESOLUTION, BY ARBITRATION. MEDIATION MUST OCCUR AT OUR HEADQUARTERS, AND ARBITRATION WILL BE HELD IN THE CITY WHERE OUR HEADQUARTERS ARE LOCATED. ALL LITIGATION MUST OCCUR IN THE STATE OR FEDERAL COURTS IN OR CLOSEST TO OUR HEADQUARTERS, EXCEPT IF WE BRING THE ACTION IN YOUR HOME STATE OR IF LOCAL LAW REQUIRES THAT THE ACTION BE BROUGHT IN YOUR HOME STATE. SEE STATE ADDENDA ATTACHED AS EXHIBIT F FOR FURTHER INFORMATION.

THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT EACH PROVIDE THAT LAWS OF THE STATE IN WHICH YOUR STORE IS LOCATED (FRANCHISEE) GOVERNS THE AGREEMENT. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS OTHER LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

AS NOTED IN ITEM 12, WE AND OUR AFFILIATES MAY COMPETE WITH YOU BY SELLING THE SAME OR

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 be sure to do your own investigation of this franchise.

Effective Dates:

Non-registration states: March 28, 2008

California:

Hawaii: April 10, 2008

Illinois: March 31, 2008

Indiana:

Maryland:

Michigan: March 31, 2008

Minnesota: April 2, 2008

New York:

Rhode Island:

Washington: April 13, 2008

Wisconsin: March 31, 2008

**NOTICE REQUIRED
BY
STATE OF MICHIGAN**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel that deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials that have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision that permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

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