

FRANCHISE DISCLOSURE DOCUMENT



ROBEKS FRANCHISE CORPORATION A California Corporation 5220 Pacific Concourse Drive, Suite 395 Los Angeles, CA 90045 Telephone: (310) 727-0500 Facsimile: (310) 844-1587 <u>www.robeks.com</u> <u>franchising@robeks.com</u>

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

The total estimated initial investment to open a ROBEKS® store is \$227,000 to \$325,000. This includes \$25,500 that must be paid to us or our affiliates.

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 in a protected territory. 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 \$227,000 to \$325,000). The total initial investment includes initial fees payable to us (area fees, initial franchisee fee and floor plan) of \$65,500 to \$90,500.

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**.

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 the Robeks Franchising Department at the above listed address and phone number.

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 <u>www.ftc.gov</u> for additional information on franchising.

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

Issuance Date: March 18, 2014



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, 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 OT 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, AREA DEVELOPMENT AGREEMENT REQUIRE THAT MOST DISPUTES BE RESOLVED FIRST BY NON-BINDING MEDIATION, AND IF THAT PROCESS DOES NOT RESULT IN RESOLUTION, BY ARBITRATION.

2. MEDIATION MUST OCCUR AT OUR HEADQUARTERS (CURRENTLY IN CALIFORNIA), AND ARBITRATION WILL BE HELD IN THE CITY WHERE OUR HEADQUARTERS ARE LOCATED (CURRENTLY IN CALIFORNIA). ALL LITIGATION MUST OCCUR IN THE STATE OR FEDERAL COURTS IN OR CLOSEST TO OUR HEADQUARTERS (CURRENTLY IN CALIFORNIA), EXCEPT IF WE BRING THE ACTION IN YOUR HOME STATE OR IF LOCAL LAW REQUIRES THAT THE ACTION BE BROUGHT IN YOUR HOME STATE. OUT-OF-STATE MEDIATION, ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE. SEE STATE ADDENDA ATTACHED AS EXHIBIT F FOR FURTHER INFORMATION.

3. THE FRANCHISE AGREEMENT, AREA DEVELOPMENT AGREEMENT 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.

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 be sure to do your own investigation of this franchise.

Effective Date: See next page for state effective dates.



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:

| California: | April 1, 2014 |
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| Hawaii: | March 24, 2014 |
| Illinois: | March 24, 2014 |
| Indiana: | April 21, 2014 |
| Maryland: | See Separate FDD |
| Michigan: | March 24, 2014 |
| Minnesota: | March 25, 2014 |
| New York: | April 17, 2014 |
| Rhode Island: | March 24, 2014 |
| Virginia: | March 28, 2014 |
| Washington: | April 13, 2014 |
| Wisconsin: | March 24, 2014 |

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