

FRANCHISE DISCLOSURE DOCUMENT
FRANLOGIC SCOUT DEVELOPMENT, LLC
a Pennsylvania limited liability company
640 Freedom Business Center Drive, Suite 131
King of Prussia, PA 19406
610-768-0114

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www.scoutandmollys.com



RECEIVED
APR 09 2015
DEPT OF REVENUE

The Franchisee will own and operate a business offering women's clothing, jewelry, handbags and accessories in brick and mortar retail location. Franchisor, FRANLOGIC SCOUT DEVELOPMENT, LLC, provides services to Franchisees including assistance with training, operations, advertising, purchasing and promotional techniques.

The total investment necessary to begin operation of a Scout & Molly's franchise is between ~~\$208~~\$250,300 00 to \$244,294,750 00 depending on the business type you choose. See Item 7 for more detailed information. This includes FIFTY THOUSAND DOLLARS (\$50,000 00), depending on the business type you choose, that must be paid to the franchisor or its affiliate. We also offer multi-unit franchises, where you can purchase the right to develop up to ten (10) units. The development fees for multi-unit franchises range from \$80,000 00 to \$240,000 00, depending on the number of units purchased.

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, franchisor or an 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 availability of disclosures in different formats, contact the Franchise Administration Department of FRANLOGIC SCOUT DEVELOPMENT, LLC, 640 Freedom Business Center Dr, Suite 131, King of Prussia, PA 19406. The phone number for FRANLOGIC SCOUT DEVELOPMENT, LLC is 610-768-0114.

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 contracts 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 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

Issuance Date ~~May 16, 2014~~ February 9, 2015

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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ENGAGING IN VARIOUS STAGES OF DISPUTE RESOLUTION INCLUDING FACE-TO-FACE ARBITRATION ONLY IN PHILADELPHIA, PENNSYLVANIA OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN PENNSYLVANIA THAN IN YOUR OWN STATE
- 2 THE FRANCHISE AGREEMENT STATES THAT PENNSYLVANIA 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 THE FRANCHISE AGREEMENT REQUIRES BOTH YOU AND YOUR SPOUSE TO SIGN A PERSONAL GUARANTY MAKING THE SPOUSE JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, EVEN IF THE SPOUSE IS NOT INVOLVED IN THE FRANCHISED BUSINESS THE PERSONAL GUARANTY PLACES BOTH YOUR AND YOUR SPOUSE'S PERSONAL ASSETS AT RISK
- ~~4 WE WERE FORMED ON MARCH 4, 2014, AND HAVE A BRIEF OPERATING HISTORY IN THE UNITED STATES OF AMERICA YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY~~
- ~~5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE~~
- ~~6 YOU WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$208,300.00 TO \$244,750.00 THESE AMOUNTS EXCEED THE FRANCHISOR'S MEMBERSHIP EQUITY AS OF APRIL 30, 2014~~
- ~~7~~

WE USE THE SERVICES OF ONE OR MORE FRANCHISE BROKERS TO ASSIST US IN SELLING FRANCHISES 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

Effective Date See following page

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