

FRANCHISE DISCLOSURE DOCUMENT RECEIVED

SF FRANCHISE COMPANY, LLC
A Florida Limited Liability Company
DBA

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DEPARTMENT OF
BUSINESS OVERSIGHT
SAN FRANCISCO



Sew Fun Studios®
701 Market St , Suite 113
St Augustine, FL 32095
904-824-3133
www.sewfunstudios.com
bpappas@sewfunstudios.com

As a Sew Fun Studios® franchisee, you will own and operate a service business within a defined exclusive territory, providing project-based programs designed to teach principles and methods of fashion and interior design and sewing to children and adults

The total investment necessary to begin operation of a Sew Fun Studios® franchise is \$29,700 to \$43,150 This includes the initial franchise fee of \$19,500 that must be paid to the franchisor

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English Read this document and all accompanying agreements carefully You must receive this Disclosure Document at least 14 calendar days before you can sign a binding agreement with, or make any payment 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 the Franchise Administration Department at 701 Market St , Suite 113, St Augustine, FL 32095

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 Additional information on buying a franchise is available from the Federal Trade Commission, including the booklet entitled "Buying a Franchise, A Consumer Guide" 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

ISSUING DATE February 1, 2015

STATE COVER PAGE

Your state may have franchise laws that require 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 OUR 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 ARBITRATION ONLY IN FLORIDA. 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 FLORIDA THAN IN YOUR OWN STATE. THE FRANCHISE AGREEMENT REQUIRES ANY CLAIMS, CONTROVERSIES OR DISPUTES THAT ARE NOT SUBJECT TO ARBITRATION, TO BE BROUGHT IN THE FEDERAL DISTRICT COURT IN DUVAL COUNTY, FLORIDA, OR IN ANY COURT OF GENERAL JURISDICTION IN ST. JOHNS COUNTY, FLORIDA.
- 2 THE FRANCHISE AGREEMENT STATES THAT FLORIDA GOVERNS THE AGREEMENT AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3 YOU MUST PAY THE FRANCHISOR MINIMUM ROYALTY FEES ACCORDING TO PARAGRAPH 6 OF THE FRANCHISE AGREEMENT FOR EVERY ACCOUNTING PERIOD COMMENCING AFTER YOUR FIRST ACCOUNTING PERIOD FROM THE DATE YOU SIGN THE FRANCHISE AGREEMENT. EVEN IF THE FRANCHISE BUSINESS HAS NO REVENUE YOU WILL LOSE \$15,000 OF THE FRANCHISE FEE AND THE FRANCHISE RIGHTS TO THE PROTECTED TERRITORY IF YOU FAIL TO ESTABLISH A SEW FUN STUDIOS® BUSINESS WITHIN THREE MONTHS FROM SIGNING THE FRANCHISE AGREEMENT.
- 4 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 the franchise.

EFFECTIVE DATE See the 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

<u>State</u>	<u>Effective Date</u>
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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