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**FRANCHISE DISCLOSURE DOCUMENT**

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**Smallcakes Franchise Systems LLC**  
a Kansas limited liability company  
14383 Metcalf Avenue  
Overland Park, Kansas 66223  
(913) 685-0111  
www.smallcakeskc.com



We offer franchises for the operation of "Smallcakes" bakeries offering gourmet and specialty cupcakes, coffee and other beverages on a dine-in, take-out, catering and delivery basis in high volume malls, retail centers and other high traffic commercial locations throughout the United States

The total investment necessary to begin operation of a Smallcakes franchise is \$104,000 to \$223,000 This includes \$25,000 that must be paid to the franchisor or its affiliate Please see Items 5 and 7 for additional details

If you are an area developer, you will pay a development fee equal to \$25,000 for the first Bakery to be developed plus \$15,000 for each additional Bakery to be developed under the Area Development Agreement The development fee is applied pro rata to the initial franchise fees due for each Bakery to be developed after the first Your estimated initial investment will vary based on the number of Bakeries to be developed

We also offer to certain qualified people the right to become a Development Agent A Development Agent must pay a Development Agent Rights fee that will range from \$200,000 to \$500,000 depending on the size of the development area

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 the disclosure document at least 14 calendar days before you 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 Jeff Martin at 14383 Metcalf Avenue, Overland Park, Kansas 66223 and (913) 685-0111

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 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](http://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.

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## 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 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, AREA DEVELOPMENT AND DEVELOPMENT AGENT AGREEMENTS REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN KANSAS. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN KANSAS THAN IN YOUR OWN STATE
- 2 THE FRANCHISE, AREA DEVELOPMENT AND DEVELOPMENT AGENT AGREEMENTS STATE THAT KANSAS 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 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

See next page for Effective Dates

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