

FRANCHISE DISCLOSURE DOCUMENT



SMOOTHIE HOLDINGS FC, LLC

a Texas, limited liability company
2811 McKinney Avenue, Suite 354
Dallas, Texas 75204
214-302-5911
www.smoothiefactory.com

You will operate a retail store offering primarily non-alcoholic, fruit-based “smoothie” beverages, frozen yogurt, yogurt-based beverages, fresh-squeezed fruit and vegetable juices, health foods, and nutritional supplements under the trade name SMOOTHIE FACTORY® and/or SMOOTHIE FACTORY JUICE BAR™. This disclosure document describes four types of franchise offerings: the SMOOTHIE FACTORY Store, the SMOOTHIE FACTORY Non-Traditional Store, the SMOOTHIE FACTORY-RED MANGO Co-Branded Traditional Store, and the SMOOTHIE FACTORY Non-Traditional Store Co-Branded with a Third-Party Concept.

The total investment necessary to begin operation of a SMOOTHIE FACTORY Store ranges from \$242,000 to \$335,700. This includes the \$42,000 that must be paid to the franchisor or an affiliate. The total investment necessary to begin operation of a SMOOTHIE FACTORY Non-Traditional Store ranges from \$139,500 to \$291,000. This includes the \$27,000 that must be paid to the franchisor or an affiliate. The total investment necessary to begin operation of a SMOOTHIE FACTORY-RED MANGO Co-Branded Traditional Store ranges from \$288,000 to \$386,500. This includes the \$47,000 that must be paid to the franchisor or an affiliate. The total investment necessary to begin operation of a SMOOTHIE FACTORY Non-Traditional Store Co-Branded with a Third-Party Concept ranges from \$47,500 to \$135,500. This includes the \$20,000 to \$27,000 that must be paid to the franchisor or an affiliate.

If you are acquiring development rights under our standard store development program, we require a commitment to develop at least two Stores. At the time you sign our Store Development Agreement, you will pay us a development fee equal to the initial franchise fees due for the Stores you commit to develop. For example, if you commit to develop two SMOOTHIE FACTORY Stores (assuming that neither the military veteran’s program nor the qualified existing franchisee discount applies), the minimum development fee will be \$30,000 + \$20,000 = \$50,000. If both of your stores are SMOOTHIE FACTORY Non-Traditional Stores (assuming that the military veteran’s program discount does not apply), then the minimum development fee will be \$15,000 + \$15,000 = \$30,000.

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 payments to, the 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 the availability of disclosures in different formats, contact Jim Notarnicola at 2811 McKinney Avenue, Suite 354, Dallas, Texas 75204 or 214-302-5941.

The terms of your contract will govern your franchise relationship. Do not 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, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency listed on [Exhibit G](#) 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: March 25, 2019

SMOOTHIE FACTORY®
Franchise Disclosure Document | 2019

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 G 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 AND STORE DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION/LITIGATION, ONLY IN DALLAS, TEXAS. OUT OF STATE MEDIATION/LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE WITH US IN TEXAS THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT AND STORE DEVELOPMENT AGREEMENT STATE THAT TEXAS 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. IF YOU PURCHASE THIS FRANCHISE, YOUR TERRITORY WILL NOT BE EXCLUSIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS FRANCHISOR CONTROLS.
4. THE FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (SEE ITEM 21) CALLS INTO QUESTION THE FRANCHISOR'S FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may 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 make sure to do your own investigation of the franchise.

Effective Date: See State Effective Dates Page

SMOOTHIE HOLDINGS FC, LLC

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:

State	Effective Date
California	
Illinois	
Indiana	
Maryland	
Michigan	
New York	
Virginia	
Washington	

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of March 25, 2019.

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