



Smoothies With A Purpose®

Smoothie King Franchises, Inc. Franchise Disclosure Document

2018-2019



2018–2019 FRANCHISE DISCLOSURE DOCUMENT FOR PROSPECTIVE FRANCHISEES

Smoothie King Franchises, Inc. A Louisiana Corporation Current address: 3900 N. Causeway Blvd., Suite 1300 Metairie, LA 70002 Address as of June 4, 2018: 9797 Rombauer Road Dallas, Texas 75019 (985) 635-6973 www.smoothieking.com franchise@smoothieking.com



The franchisee will operate a retail business offering smoothies and other nutritional drinks and general nutritional products under the name **Smoothie King®**. Smoothie King also offers Area Development rights to develop multiple Smoothie King Businesses.

The total investment necessary to begin operation of a traditional Smoothie King® Business ranges from (i) for an end-cap or in-line location, \$263,550 to \$531,535, and (ii) for a free-standing drive-thru location, \$579,100 to \$844,485. This includes \$29,500 to \$48,500 that must be paid to us. If you sign an Area Development Agreement, you also must pay us a development fee of \$12,500 for each Smoothie King® franchise you commit to develop after the first franchise.

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, 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 the Smoothie King franchise sales office at 3900 N. Causeway Blvd., Suite 1300, Metairie, LA 70002 (9797 Rombauer Road, Dallas, TX 75019 as of June 4, 2018), or (985) 635-6973.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read the entirety 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 (the "FTC"). 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 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 $\underline{\mathbf{Exhibit}\;\mathbf{K}}$ 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 AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN TEXAS. OUT-OF-STATE 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 OWN STATE.
- 2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT TEXAS LAW 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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates

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