



## **Smoothies With A Purpose®**

# Smoothie King Franchises, Inc. Franchise Disclosure Document

### 2021-2022



#### 2021–2022 FRANCHISE DISCLOSURE DOCUMENT FOR PROSPECTIVE FRANCHISEES

Smoothie King Franchises, Inc. A Texas Corporation 9797 Rombauer Road Dallas, Texas 75019 (985) 635-6973 Website: www.smoothieking.com Email: franchise@smoothieking.com



The franchisee is for the establishment and operation of a Smoothie King® unit offering guests a variety of custom smoothies blended to support healthy and active lifestyles. Each proprietary blend is made with select whole fruits and organic vegetables without any artificial preservatives, flavors and colors. Smoothie King offers other nutritional drinks and general nutritional products under the name **Smoothie King®**. The Smoothie King mission is to inspire people to live a healthy and active lifestyle and to be an integral part of every health and fitness journey.

The total investment necessary to begin operation of a traditional Smoothie King® Business ranges from (i) for an end-cap or in-line location, \$268,900 to \$555,965, and (ii) for a free-standing drive-thru location, \$589,300 to \$858,900. This includes \$27,000 to \$32,500 that must be paid to us. Smoothie King also offers Area Development rights to develop multiple Smoothie King Businesses. 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. You must develop a minimum of 5 Smoothie King® Businesses under the Area Development Agreement.

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 9797 Rombauer Road, Dallas, TX 75019, or (214) 935-9552.

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 "<u>A Consumer's Guide to Buying a Franchise</u>," 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 (1-877-382-4357) 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.

Issuance Date: April 26, 2021

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#### How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits A and B.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Smoothie King business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Smoothie King franchisee?	Item 20 or Exhibits A and B lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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