

FRANCHISE DISCLOSURE DOCUMENT

Sugar Plum Franchising, LLC
a Massachusetts limited liability company
11 Wollaston Avenue
Arlington, Massachusetts 02476

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The franchise is for the establishment and operation of a location that provides all-inclusive, theme-related party packages targeted for girls from ages 3 to 11 that include activities and pre-made food in a private, heavily decorated atmosphere using the Sugar Plum Parties trade name and business system (“Sugar Plum Parties Center” or “Party Center”).

The total investment necessary to begin operation of a Sugar Plum Parties Center ranges from \$89,900 to \$149,900. This includes the \$30,000 initial franchise fee that must be paid to us.

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 Ashley Shimabukuro at 11 Wollaston Avenue, Arlington, Massachusetts 02476 or 888-679-0323 or Ashley@sugarplumparties.com.

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. 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 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 Attachment 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 AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION ONLY IN BOSTON, MASSACHUSETTS AND BY LITIGATION ONLY IN MIDDLESEX COUNTY, MASSACHUSETTS (SUBJECT TO STATE LAW). OUT OF STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE WITH US IN BOSTON, MASSACHUSETTS AND TO SUE US IN MIDDLESEX COUNTY, MASSACHUSETTS THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT MASSACHUSETTS LAW GOVERNS THE FRANCHISE AGREEMENT (SUBJECT TO STATE LAW), AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS
3. IF THE FRANCHISEE IS AN INDIVIDUAL, THE FRANCHISEE'S SPOUSE MUST SIGN A PERSONAL GUARANTY UNDER WHICH THE SPOUSE WILL BE JOINTLY AND SEVERALLY LIABLE FOR OBLIGATIONS OF THE FRANCHISEE, WHETHER OR NOT THE SPOUSE IS INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF THE FRANCHISE OWNER AND THE SPOUSE AT RISK.
4. YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL.
5. THE FRANCHISOR HAS BEEN OFFERING FRANCHISES FOR A SHORT PERIOD OF TIME. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.
6. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$89,900 TO \$149,900. THIS AMOUNT EXCEEDS FRANCHISOR'S STOCKHOLDERS' EQUITY AS OF DECEMBER 31, 2016, WHICH WAS \$(229,680).
7. YOU MUST ACHIEVE A MINIMUM SALES PERFORMANCE IN THE FIRST 18 MONTHS. IF YOU FAIL TO DO SO, FRANCHISOR CAN TERMINATE YOUR AGREEMENT RESULTING IN THE LOSS OF YOUR INVESTMENT.

6. 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 the following state effective date summary page for state effective dates.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/sugar-plum-parties>