

FRANCHISE DISCLOSURE DOCUMENT



Sweet Arleen's International, Inc.
A California corporation
2945 Townsgate Road, Suite 200
Westlake Village, California 91361
Telephone Number: (805) 719-2755
www.SweetArleens.com

The franchise offered in this Disclosure Document is for the operation of a single, retail specialty store offering cupcakes, bread puddings, cakes and assorted bakery products identified by the "SWEET ARLEEN'S CUPCAKES AND BREAD PUDDINGS" or "SWEET ARLEEN'S" trade name and franchise system.

The total investment necessary to begin operation of a Sweet Arleen's Store franchise is \$270,600 - \$439,000. This includes \$35,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of a Sweet Arleen's Store franchise pursuant to an area development agreement is \$330,600 - \$499,000. This includes \$95,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of a Sweet Arleen's Mobile Cupcake Suite is \$121,500 - \$156,500. This includes \$16,500 that must be paid to the franchisor or affiliate.

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, please contact the Director of Franchise Development at Sweet Arleen's International, Inc., at 2945 Townsgate Road, Suite 200, Westlake Village, California 91361, or at (805) 719-2755.

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, 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.

DATE OF ISSUANCE: DECEMBER 1, 2012, AS AMENDED MARCH 12, 2013.

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 AGREEMENT AND THE AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY, FIRST, A FACE-TO-FACE MEETING; SECOND, NON-BINDING MEDIATION; AND THIRD, BINDING ARBITRATION, IN THE COUNTY IN WHICH OUR THEN-CURRENT HEADQUARTERS IS LOCATED. OUT-OF-STATE MEDIATION/ARBITRATION MAY FORCE YOU TO ACCEPT LESS FAVORABLE SETTLEMENT DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE/ARBITRATE WITH US IN THE COUNTY IN WHICH OUR THEN-CURRENT HEADQUARTERS IS LOCATED THAN IN YOUR STATE. YOU AND WE WILL GENERALLY BEAR EACH OF OUR OWN COSTS IN ANY DISPUTE, BUT THE ARBITRATOR CAN ASSESS COSTS (BUT NOT ATTORNEY'S FEES) AGAINST A LOSING PARTY.
2. IF YOU ARE A CORPORATION, PARTNERSHIP OR LIMITED LIABILITY COMPANY, WE WILL REQUIRE EACH OWNER OF A 10% OR MORE INTEREST IN YOU AND HIS/HER SPOUSE TO SIGN A GUARANTY AND ASSUMPTION OF OBLIGATIONS OF YOUR OBLIGATIONS CAUSING EACH OWNER (AND THE OWNERS' SPOUSE) TO BECOME JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT (IF APPLICABLE). THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF OWNERS AND SPOUSES AT RISK.
3. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT PROVIDE THAT THE LAWS OF THE STATE OF CALIFORNIA GOVERN THE AGREEMENT AND THAT LAW MAY NOT PROVIDE YOU WITH THE SAME RIGHTS AND PROTECTIONS AS YOUR LOCAL LAW. YOU MAY WANT TO CONSULT AN ATTORNEY REGARDING COMPARISON OF THESE LAWS.
4. WE AND OUR AFFILIATES MAY ESTABLISH OTHER CHANNELS OF DISTRIBUTION AND SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC, UNDER THE SAME AND/OR DIFFERENT TRADEMARK, IN COMPETITION WITH THE FRANCHISE.
5. THERE MAY BE OTHER RISKS CONCERNING THE FRANCHISE.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the 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 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	December 31, 2012, as amended
Hawaii	
Illinois	
Indiana	December 17, 2012, as amended March 12, 2012
Maryland	
Michigan	
Minnesota	December 18, 2012, as amended
New York	February 11, 2013, as amended
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

In all other states, the effective date of this disclosure document is the issuance date of December 1, 2012, as Amended March 12, 2013.

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