

**FRANCHISE DISCLOSURE DOCUMENT****SWEET CANDY FRANCHISE, LLC**

Sweet Candy Franchise, LLC

A Nevada limited liability company

929 W Barkley Avenue

Orange California 92868

714 507 1998

www.sweetfactory.com

RECEIVED

APR 14 2017

Department of Business Oversight  
Los Angeles Office

We franchise self service candy and confections shops under the trade name **Sweet Factory**

We offer 2 franchise programs

**Single Franchise Program** Under the Single Franchise Program you may purchase an existing and operating Sweet Factory store or kiosk from Sweet Candy LLC a Nevada limited liability company (the **Operating Company**) and operate the store or kiosk under our Franchise Agreement or you may purchase a new store or kiosk which the Operating Company has constructed equipped and furnished but not yet opened for business (a **Turnkey Unit**) and operate the store or kiosk under our Franchise Agreement. The total investment necessary to begin operations of an existing and operating Sweet Factory store or kiosk ranges from \$376,500 to \$2,121,500 for a turnkey Sweet Factory store, or \$376,700 to \$2,125,500 for a turnkey Sweet Factory kiosk. These amounts include \$50,000 that must be paid to the franchisor.

**Area Development Program** Under the Area Development Program we grant development rights which enable you to open a specified number of Sweet Factory stores or kiosks within a specified area under individual Franchise Agreements. The total investment necessary to begin operations of between 2 to 3 Sweet Factory stores ranges from \$410,500 to \$2,157,500 for 2 stores to \$446,500 to \$2,189,800 for 3 stores. These amounts include \$55,000 for each Sweet Factory store or kiosk to be established (and a \$5,000 training fee for the first Sweet Factory store or kiosk) that must be paid to the franchisor.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the 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 government 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 our Controller, Royce Fernando, 929 W Barkley Avenue, Orange, California 92868, (714) 507-1998.

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 'Buying a Franchise: A Consumer Guide,' 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](http://www.ftc.gov) for additional information. Call your state agency listed on Exhibit A 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.

**THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS MARCH 27, 2017**

## 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 THIS FRANCHISE WITH A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. Call the state franchise administrator listed on 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 DEVELOPMENT AGREEMENT PERMIT YOU TO SUE US ONLY IN CALIFORNIA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE US IN CALIFORNIA THAN IN YOUR HOME STATE.

2 THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT REQUIRE THAT THE LAW OF CALIFORNIA 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 YOUR SPOUSE AND THE SPOUSES OF YOUR OWNERS, PARTNERS, SHAREHOLDERS AND MEMBERS, IF YOU ARE AN ENTITY, MUST SIGN THE FRANCHISE AGREEMENT AND PERSONALLY GUARANTEE ALL OBLIGATIONS OF THE FRANCHISED BUSINESS, WHETHER OR NOT HE/SHE IS/ARE INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS. THIS REQUIREMENT PLACES YOUR PERSONAL ASSETS AND THE PERSONAL ASSETS OF YOUR SPOUSE AND THE SPOUSES OF YOUR OWNERS, PARTNERS, SHAREHOLDERS AND MEMBERS AT RISK.

4 YOU MUST SIGN OUR INITIAL TRAINING AGREEMENT BEFORE YOU SIGN YOUR FRANCHISE AGREEMENT AND OPEN YOUR STORE AND MUST PAY US \$5,000 FOR OUR INITIAL TRAINING PROGRAM. IF YOU DO NOT SATISFACTORILY COMPLETE OUR INITIAL TRAINING PROGRAM, IN OUR SOLE AND ABSOLUTE DISCRETION, WE WILL REFUND ONLY \$3,000 OF THE INITIAL TRAINING FEE TO YOU AND WILL RETAIN \$2,000.

5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

LOCAL LAW MAY SUPERSEDE THESE FRANCHISE AGREEMENT PROVISIONS. CERTAIN STATES REQUIRE THE SUPERSEDING PROVISIONS TO APPEAR IN AN EXHIBIT IN THIS DISCLOSURE DOCUMENT.

See Next Page for State Effective Dates

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