

MAR 30 2012

FRANCHISE DISCLOSURE DOCUMENT

Sacramento Office



TCBY Systems, LLC
 A Delaware Limited Liability Company
 1141 West 2400 South
 Salt Lake City, Utah 84119
 (801) 736-5600
 www.tcbv.com
www.tcbvfranchise.com

If you qualify to purchase or renew a franchise, complete our application process and enter into a franchise agreement with us, you will offer for sale TC BY brand premium soft-serve frozen yogurt, hand-dipped frozen yogurt, fresh yogurt, yogurt-based smoothies, sorbet and other approved food and drinks from a retail location.

The total investment necessary to begin operation of a TC BY store franchise ranges from \$140,000 to \$183,000 for Other Concepts Stores and \$237,000 to \$397,740 for Traditional Stores. This includes \$15,000 for Other Concepts Stores and \$15,000 to \$25,000 for Traditional Stores that must be paid to us or our Affiliates. If we allow you to operate a satellite unit in connection with your TC BY Store, the total investment necessary to begin operation of the satellite unit is \$30,000 to \$147,500, including the unit and equipment as well as \$5,000 to \$12,500 that must be paid to us or our Affiliates. These ranges do not include real property acquisition or leasing costs, a salary or management fee for the owner, or any franchise fees that would be payable to our Affiliates if you are simultaneously developing an affiliated co-brand in conjunction with your Other Concepts Store.

We also offer area director franchises within certain limited territories. If you qualify for an area director franchise and enter into an area director agreement with us, you will provide certain sales services to us and certain site and support services to TC BY franchisees, within a specific territory, in exchange for a share of various franchise fees. The total investment necessary to begin operation of an area director franchise is \$101,000 to \$1,037,000. This includes approximately \$100,000 to \$1 million that must be paid to us or our Affiliates. This range reflects that the initial area director fee varies widely depending on variables such as the size and population of the territory that you are granted. These ranges do not include any franchise fees that would be payable to our Affiliates if you are simultaneously purchasing an area director franchise from our Affiliate, Mrs. Fields Franchising, LLC.

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 our Franchising Specialist, at 1141 West 2400 South, Salt Lake City, Utah 84119, (801) 736-5600.

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.

Issuance Date: March 29, 2012

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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN SALT LAKE CITY, UTAH. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN SALT LAKE CITY, UTAH, THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND AREA DIRECTOR AGREEMENT EACH STATE THAT UTAH 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. THE AREA DIRECTOR AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US FIRST BY NON-BINDING MEDIATION, AND THEN BY LITIGATION, ONLY IN SALT LAKE CITY, UTAH. OUT-OF-STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE FOR YOU TO MEDIATE OR LITIGATE WITH US IN SALT LAKE CITY, UTAH, THAN IN YOUR OWN STATE.
4. THE AUDITED AND UNAUDITED FINANCIAL STATEMENTS PROVIDED AT **EXHIBIT M** TO THIS DISCLOSURE DOCUMENT ARE THOSE OF OUR AFFILIATE AND ULTIMATE PARENT, MRS. FIELDS' ORIGINAL COOKIES, INC. ("MFOC"). ALTHOUGH OUR FINANCIAL STATEMENTS ARE NOT INCLUDED IN THIS DISCLOSURE DOCUMENT, MFOC HAS AGREED TO GUARANTY OUR OBLIGATIONS (SEE GUARANTEE OF PERFORMANCE INCLUDED AS **EXHIBIT N** TO THIS DISCLOSURE DOCUMENT).
5. PER THE AUDITED BALANCE SHEET DATED DECEMBER 31, 2011, SINCE ITS INCEPTION, MFOC HAS LOST \$54,799,000 CAUSING IT TO HAVE A DEFICIT NET WORTH OF \$11,077,000.
6. SEE STATE SPECIFIC ADDENDA FOR STATES THAT REQUIRE US TO DEFER THE COLLECTION OF INITIAL FEES.
7. AREA DIRECTORS ARE NOT A PARTY TO YOUR CONTRACT. FRANCHISOR IS RESPONSIBLE FOR ALL OBLIGATIONS UNDER YOUR CONTRACT AND IN CERTAIN CIRCUMSTANCES MAY BE LIABLE FOR MISREPRESENTATIONS OR ACTIONS OF THE AREA DIRECTOR.
8. 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 this 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	State	Effective Date
California	Pending	New York	Pending
Hawaii	Pending	North Dakota	Pending
Illinois	Pending	Rhode Island	Pending
Indiana	Pending	South Dakota	Pending
Maryland	Pending	Virginia	Pending
Michigan	Pending	Washington	Pending
Minnesota	Pending	Wisconsin	Pending

In the states listed below, the effective date of this disclosure document is the issuance date of March 29, 2012.

Alabama	Kentucky	North Carolina
Alaska	Louisiana	Ohio
Arizona	Maine	Oklahoma
Arkansas	Massachusetts	Oregon
Colorado	Mississippi	Pennsylvania
Connecticut	Missouri	South Carolina
Delaware	Montana	Tennessee
District of Columbia	Nebraska	Texas
Florida	Nevada	Utah
Georgia	New Hampshire	Vermont
Idaho	New Jersey	West Virginia
Iowa	New Mexico	Wyoming
Kansas		

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