

FRANCHISE DISCLOSURE DOCUMENT



Chicago Doughnut Franchise Company LLC a Florida limited liability company 2620 Regatta Drive, Suite 214 Las Vegas, NV 89128 (702) 496-6582 jpappas@thedapperdoughnut.com www.thedapperdoughnut.com

As a franchisee of The Dapper Doughnut[®], you will operate a business that offers hot mini doughnuts hand dipped to order in assorted glazes and toppings, coffee and other beverages in retail locations (which includes inline stores in a strip center or mall, mall kiosks and carts - as an add-on to a retail location or restaurant), or from a food truck.

The total investment necessary to begin operation of a The Dapper Doughnut franchised business in a retail location ranges from \$137,695 to \$267,000. The total investment necessary to begin operation of a The Dapper Doughnut franchised business in a food truck ranges from \$80,195 to \$217,000. The total investment necessary to begin operation of a The Dapper Doughnut franchised business in a kiosk ranges from \$61,495 to \$190,300. All three of these ranges include a franchise fee of \$23,200 to \$29,000 that must be paid to the franchisor. The total investment necessary to begin operation of a The Dapper Doughnut franchised business in a cart ranges from \$39,185 to \$88,000. The franchise fee for a cart is \$19,500.

The total investment necessary to obtain area development rights for an area development business for The Dapper Doughnut ranges from \$40,000 to \$90,000 (for 4 to 9 businesses beyond the 1st business), all of which must be paid to the franchisor.

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, 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 Jeff Pappas at jpappas@thedapperdoughnut.com or jpappas@thebtmlinegroup.com, or Chicago Doughnut Franchise Company LLC, 2620 Regatta Dr., Suite 214, Las Vegas, NV 89128 (702) 496-6582.

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 "<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. 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 <u>www.ftc.gov</u> for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: _____, 20___.

Chicago Doughnut Franchise Company LLC The Dapper Doughnut FDD 2018



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 LITIGATE WITH US ONLY IN THE STATE IN WHICH OUR PRINCIPAL BUSINESS ADDRESS IS THEN LOCATED (CURRENTLY, FLORIDA). OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT ALSO MAY COST MORE TO LITIGATE WITH US IN THE STATE IN WHICH OUR PRINCIPAL BUSINESS ADDRESS IS THEN LOCATED THAN IN YOUR OWN STATE.
- 2. FLORIDA LAW GOVERNS THE FRANCHISE AGREEMENT AND THE AREA DEVELOPMENT AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. 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 make sure to do your own investigation of the franchise.

Effective Dates:

See next page for effective dates in various jurisdictions.



STATE EFFECTIVE DATES

This disclosure document is effective as of the issuance date for use in Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, Georgia, Idaho, Iowa, Kansas, Louisiana, Maine, Massachusetts, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Vermont, West Virginia, Wyoming, Washington, D.C., American Samoa, Federated States of Micronesia, Guam, Marshall Islands, Northern Mariana Islands (including Saipan), Palau, Puerto Rico and U.S. Virgin Islands.

This disclosure document is effective as of the issuance date for use in the following states, where the franchisor filed a 1-time notice on the date indicated:

Kentucky:	April 4, 2017
Nebraska:	July 18, 2016
Texas:	July, 19, 2016

This disclosure document is effective as of the issuance date for use in the following states, where the franchisor has filed an annual notice, effective on the date indicted:

Florida:	June 14, 2017
Michigan:	March 20, 2017
Utah:	June 14, 2017
Wisconsin:	March 16, 2017, as amended March 29, 2017

This disclosure document is effective and may be used in the following state, where the disclosure document is filed, registered or exempt from registration, as of the date indicated:

Indiana: March 20, 2017

This disclosure document is not effective and may not be used in the following states, where it is not currently filed, registered or exempt from registration: California: Hawaii, Illinois, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia and Washington.

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