



## FRANCHISE DISCLOSURE DOCUMENT

Good Feet Worldwide, LLC
A Delaware limited liability company
2270 Cosmos Ct.
Carlsbad, California 92011
(760) 804-0751
www.goodfeet.com//www.thegoodfeetstore.com
www.goodfeetfranchise.com
email@goodfeet.com

The franchise is to operate a Store under the GOOD FEET® name and system that sells GOOD FEET® brand arch supports and related foot products.

The total investment necessary to begin operation of a GOOD FEET® Store is \$77,800 to \$193,650 (including initial real estate lease costs). This includes \$27,650 to \$60,600 that must be paid to the franchisor or affiliate. If you want development rights, you must pay the franchisor a development fee equal to \$25,000 (the initial franchisee fee for the first Store) plus a \$5,000 deposit for each additional Store.

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 The Good Feet Franchise Support Center, 2270 Cosmos Ct., Carlsbad, California 92011, (800) 509-4535.

The terms of your contract will govern you 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 <a href="www.ftc.gov">www.ftc.gov</a> 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 of this Franchise Disclosure Document: April 18, 2013, as amended May 1, 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN THE STATE OF OUR PRINCIPAL BUSINESS ADDRESS (CURRENTLY CALIFORNIA). 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 CALIFORNIA THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA 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. DR.'S OWN, INC., OUR AFFILIATE, IS THE ONLY SUPPLIER OF GOOD FEET® BRAND PRODUCTS AND CERTAIN OTHER PROPRIETARY ITEMS. THIS COULD IMPACT THE PRICES OF THESE ITEMS, COMPETITION, AND YOUR INCOME.
- 4. WE MAY, TO THE EXTENT ALLOWED BY APPLICABLE LAW, REGULATE YOUR MINIMUM, MAXIMUM, OR OTHER PRICES FOR THE RESALE OF PRODUCTS. THIS COULD IMPACT YOUR ABILITY TO COMPETE AND YOUR INCOME.
- 5. IN APRIL 2009, DR.'S OWN ENTERED INTO A LOAN AGREEMENT FOR \$1.5 MILLION FOR WHICH WE ARE JOINTLY AND SEVERALLY LIABLE. IN NOVEMBER 2012, THE ORIGINAL LOAN AGREEMENT FOR \$1.5 MILLION WAS MODIFIED TO \$2.375 MILLION. SEE NOTE 3 TO OUR 2012 AUDITED FINANCIAL STATEMENTS.
- 6. IN OCTOBER 2010, WE BECAME A GUARANTOR OF A 1.3 MILLION PROMISSORY NOTE ISSUED BY OUR PARENT COMPANY, QUEST



## ACQUISITION, LLC. SEE NOTE 3 TO OUR 2012 AUDITED FINANCIAL STATEMENTS.

## 7. 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.

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

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