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FRANCHISE DISCLOSURE DOCUMENT



The Mug Development Company, LLC
 a California Limited Liability Company
 7157 Fasano Place
 Rancho Cucamonga, CA 92701
 (909) 714-7223
www.themugshakes.com

DEPARTMENT OF
 BUSINESS OVERSIGHT
 CALIFORNIA

The franchises described in this disclosure document are for the operation of **THE MUG SHAKES™** Outlets offering unique shakes dessert products The estimated total investment necessary to begin operation of each franchise is \$154,650 to \$627,000 This includes \$37,000 that must be paid to the franchisor

If You are an Area Developer, You are required to pay Us a nonrefundable Development Fee equal to the Initial Franchise Fee for the first Required Outlet plus \$15,000 for each additional Required Outlet

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 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 disclosure in different formats, contact Sid Malik at the above address and telephone number

The terms of your contract will govern your franchise relationship Do not 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 "*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

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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 E** 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 **RISKS FACTORS** before you buy this franchise

1 THE FRANCHISE AGREEMENT REQUIRES THAT ALL DISAGREEMENTS MAY BE SETTLED BY ARBITRATION IN SAN BERNARDINO COUNTY, CALIFORNIA OUT OF STATE ARBITRATION MAY FORCE A FRANCHISEE TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST A FRANCHISEE MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN A FRANCHISEE'S HOME STATE

2 ARBITRATION WILL NOT BE USED FOR ANY DISPUTE WHICH INVOLVES A FRANCHISEE'S CONTINUED USAGE OF ANY OF THE MARKS OR ANY ISSUE INVOLVING INJUNCTIVE RELIEF AGAINST FRANCHISEE, ALL OF THESE ISSUES WILL BE SUBMITTED INITIALLY TO A COURT IN SAN BERNARDINO COUNTY, CALIFORNIA THE PARTIES CONSENT TO PERSONAL JURISDICTION IN CALIFORNIA OVER ANY SUCH ISSUES NOT SUBJECT TO ARBITRATION

3 THE FRANCHISE AGREEMENT STATES THAT THE LAW WHERE THE OUTLET IS LOCATED GOVERNS THE AGREEMENT

4 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

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EXHIBITS

- A Preliminary Agreement
- B Franchise Agreement with Personal Guaranty and State Addenda
- C Area Development Agreement
- D Confidentially Agreement
- E State Agents and State Administrators
- F Financial Statements
- G Receipts

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/the-mug-shakes>