

FRANCHISE DISCLOSURE DOCUMENT



THREE DOG BAKERY, INC.,

a Delaware Corporation 1843 No. Topping Ave. Kansas City, MO 64120 (816) 474-3647 jwiebrecht@threedog.com www.threedog.com

The franchise offered is for one or more "THREE DOG BAKERY" store(s) that will sell personalized cakes, muffins, pastries, and novelty baked items that are baked in the store, dog food, dog cookies, dog biscuits, dog training treats, and cat treats manufactured by the franchisor or its affiliates, as well as ancillary items (such as dog bowls, leashes, and collars) that are approved by the franchisor.

The total investment necessary to begin operation of a single THREE DOG BAKERY store franchise ranges from \$187,000 to \$326,500. This includes the initial franchise fee of \$25,000 per store which must be paid to us, plus approximately \$6,000 of your initial inventory purchased from us. If you sign a two-store development agreement, your costs to open the first store will range from \$222,000 to \$361,500, which includes the initial franchise fee for the first two stores plus a \$5,000 per store development fee. For an existing THREE DOG BAKERY licensee converting to a franchise, the total investment will be \$10,000, which includes the initial franchise fee of \$2,500 per store which must be paid to us. Total investment for more than one THREE DOG BAKERY store will be a multiple of the single-store investment *plus* the amount of the development fee.

This disclosure document summarizes certain provisions of your franchise agreement, multi-unit development 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 disclosure in different formats, contact Jamie Wiebrecht at 1843 No. Topping Ave., Kansas City, MO 64120; telephone number (816) 474-3647, extension 227; e-mail iwiebrecht@threedog.com.

The terms of your contract will govern your franchise relationship. Don't rely on this disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like an attorney 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 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 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: April 19, 2013 except as shown on the following page.

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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 Administrators listed in <u>Exhibit G</u> for information about the franchisor, about other franchisors, 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 ARBITRATION (OR, IN SOME CASES, LITIGATION) ONLY IN MISSOURI. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US OR TO SUE US IN MISSOURI THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT MISSOURI LAW GOVERNS THE FRANCHISE 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 is *our* agent and 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.

Our web site has not been reviewed or approved by the California Department of Corporations. Any complaints concerning the content of this Web site may be directed to the California Department of Corporations at www.corp.ca.gov.

The Effective Date of this Disclosure Document in each State is set forth below.

State	Effective Date	State	Effective Date
California	See separate FDD	North Dakota	Not registered
Hawaii	Not registered	Rhode Island	Not registered
Illinois	See separate FDD	South Dakota	Not registered
Indiana	April 24, 2013	Virginia	See separate FDD
Maryland	Not registered	Washington	Not registered
Michigan		Wisconsin	Not registered
Minnesota	See separate FDD	All States not listed above	
New York	Not registered		



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