

## FRANCHISE DISCLOSURE DOCUMENT



Address prior to 7/1/13:  
7000 Peachtree Dunwoody Road  
Building #2, Floor #3  
Atlanta, Georgia 30328

**Tropical Smoothie Franchise Development Corporation Café, LLC**  
 (a ~~Florida Corporation~~) Georgia limited liability company  
Address after 7/1/13:  
~~12598 U.S. Highway 98~~ 1117 Perimeter Center West-  
Suite 200W200  
~~Destin, Florida 32550~~  
Atlanta, Georgia 30338  
~~888-292-2522~~ (770) 821-1900 phone  
~~850-269-9845~~ (770) 821-1895 fax  
 E-mail: [info@tropicalesmoothie.com](mailto:info@tropicalesmoothie.com)  
[www.tropicalesmoothiecafe.com](http://www.tropicalesmoothiecafe.com)  
[www.facebook.com/tropicalesmoothiecafe](https://www.facebook.com/tropicalesmoothiecafe)

The franchise is for the establishment and operation of a café offering customers a variety of premium quality real fruit smoothies blended fresh in the store using proprietary recipes, as well as specialty sandwiches, gourmet wraps, salads, soups and coffee drinks (a “**Tropical Smoothie Café® franchise**” or “**Franchised Business**”).

The total investment necessary to begin operation of a single-unit Tropical Smoothie Café® franchise ranges from \$~~164,500~~ 166,750 to \$~~398,000~~ 424,200. This includes a \$25,000 initial franchise fee that must be paid to us. If a franchisee chooses to develop multiple units, a \$15,000 initial franchise fee must be paid for the second and each additional unit.

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 Charles Watson at ~~12598 U.S. Highway 98~~ 1117 Perimeter Center West, Suite W200, Destin, Florida 32550 Atlanta, Georgia 30328 and ~~(888) 292-2522~~ (770) 821-1900.

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 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, DC 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://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 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 MEDIATION OR LITIGATION ONLY IN ~~FLORIDA~~GEORGIA. OUT OF STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE OR LITIGATE WITH US IN ~~FLORIDA~~GEORGIA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT ~~FLORIDA~~GEORGIA 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. ~~OUR DECEMBER 31, 2011 AUDITED FINANCIAL STATEMENTS SHOW THAT WE HAD A RETAINED EARNINGS DEFICIT OF \$4,702,096, AND A DEFICIT IN SHAREHOLDERS' EQUITY OF \$4,518,661.~~
4. ~~YOU WILL NOT RECEIVE EXCLUSIVE TERRITORY. WE AND OUR AFFILIATES MAY ESTABLISH OTHER FRANCHISED OR COMPANY OWNED LOCATIONS AND OTHER CHANNELS OF DISTRIBUTION, AND MAY SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE UNDER THE SAME AND/OR DIFFERENT TRADEMARKS TO THE GENERAL PUBLIC IN COMPETITION WITH YOUR FRANCHISE.~~5. UPON EARLY TERMINATION OF THE FRANCHISE, YOU MUST PAY US LIQUIDATED DAMAGES IN AN AMOUNT EQUAL TO THE AVERAGE MONTHLY ROYALTY FEES DURING THE TWELVE MONTHS PRIOR TO TERMINATION MULTIPLIED BY 18 OR THE NUMBER OF MONTHS REMAINING IN THE FRANCHISE AGREEMENT, WHICHEVER IS LESS.
4. AS PER THE AUDITED BALANCE SHEET DATED DECEMBER 30, 2012, THE FRANCHISOR HAD A NET WORTH DEFICIENCY OF \$6,978,450.
5. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$166,750 TO \$424,200. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 30, 2012, WHICH IS (\$6,978,450).
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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