

## FRANCHISE DISCLOSURE DOCUMENT



**Tropical Smoothie Café, LLC**  
(a Georgia limited liability company)  
1117 Perimeter Center West  
Suite W200  
Atlanta, Georgia 30338  
(770) 821-1900 phone  
(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 \$165,940 to \$414,685. 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 1117 Perimeter Center West, Suite W200, Atlanta, Georgia 30328 and (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.

Date of Issuance: April 15, 2014

04/15/2014

QB\138221-00002\10107205-64

## 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 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 GEORGIA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT 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. 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. OUR DECEMBER 29, 2013 AUDITED FINANCIAL STATEMENTS SHOW THAT WE HAD A WORKING CAPITAL DEFICIENCY OF \$1,208,955, AND A DEFICIT IN MEMBERS' EQUITY OF \$6,882,483, WHICH INDICATE WE MAY NOT BE ABLE TO MEET OUR OBLIGATIONS.
5. AS PER THE AUDITED BALANCE SHEET DATED DECEMBER 29, 2013, THE FRANCHISOR HAD A NET WORTH DEFICIENCY OF (\$6,882,483).
6. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$165,940 TO \$414,685. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 29, 2013, WHICH IS (\$6,882,483).
7. THE FRANCHISOR HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME, SINCE JUNE 25, 2013. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.
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.

The effective dates of this Disclosure Document in the states with franchise registration laws in which we have sought registration appear on the following page.

04/15/2014

QB\138231.00002\10107206.64

**TROPICAL SMOOTHIE CAFÉ, LLC  
STATE REGISTRATIONS**

This Franchise Disclosure Document is registered, on file, exempt from registration, or otherwise effective in the following states with franchise registration and/or disclosure laws:

California	Effective date: May 30, 2014
Hawaii	Effective date: _____, 2014
Illinois	Effective date: April 21, 2014
Indiana	Effective date: August 16, 2014
Maryland	Effective Date: July 29, 2014
Michigan	Effective date: September 10, 2014
Minnesota	Effective date: April 22, 2014
New York	Effective date: May 15, 2014
North Dakota	Effective Date: May 7, 2014
Rhode Island	Effective date: April 21, 2014
South Dakota	Effective date: April 21, 2014
Virginia	Effective date: May 7, 2014
Washington	Effective date: November 6, 2014
Wisconsin	Effective date: April 17, 2014

04/15/2014

QB\138221-00002\10107205-64

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