

# FRANCHISE DISCLOSURE DOCUMENT<br/>FOR PROSPECTIVE MASTER FRANCHISEES<br/>RECEIVED<br/>DEPT OF CORPORATIONS<br/>SAN FRANCISCO<br/>210 Shields Court<br/>Markham, Ontario, Canada, L3R 8V2<br/>12 DEC 18 P1:38Yogen Früz U.S.A., Inc.<br/>Yogen Früz U.S.A., Inc.<br/>A Nevada Corporation<br/>210 Shields Court<br/>Markham, Ontario, Canada, L3R 8V2<br/>12 DEC 18 P1:38

Yogen Früz U.S.A., Inc. ("Franchisor") is in the business of offering master franchises to qualified candidates ("Master Franchisees") for the exclusive right and regional license to offer and sell franchises for Yogen Früz outlets to individual franchisees and individual licensees within an exclusive designated territory as a subfranchisor. Each Unit Franchisee will operate a Yogen Früz outlet specializing in the sale of frozen yogurt, yogurt shakes, fruit cups and other fruit and yogurt-based products to the public. Each Licensee will operate a mini-outlet specializing in the sale of the same proprietary products as a Franchised Business. The Master Franchisee is expected to take on the role of franchisor within the Designated Territory, as well as create an affiliate entity for the sole purpose of buying and operating at least one Franchised Business and operate it as a model/training store.

The initial master franchise fee will vary depending on the population within the territory and other demographic factors. The total investment necessary to begin operation as a Master Franchisee is \$201,029 to \$1,003,429. This includes between \$66,250 to \$540,250 that must be paid to the franchisor or its affiliate. The total investment necessary for a Unit Franchised Business ranges from \$135,679 to \$472,179. This includes between \$86,000 to \$400,000 that must be paid to the franchisor or its affiliate and master franchisee. The total investment necessary for a Yogen Früz Mini Outlet under the License Agreement ranges from \$28,600 to \$40,100. This includes between \$8,000 to \$12,000 that must be paid to the franchisor or its affiliate and the master franchisee.

We also offer a multi-unit operator program. Under the multi-unit operator program, you will pay us an initial fee equal to \$25,000 for the first unit you will develop, plus a deposit of \$15,000 for each additional unit you will develop in your exclusive area, and each unit will operate according to its own Franchise Agreement. For each unit developed after the first one, we will apply a pro rata portion of the initial fee you paid under the multi-unit operator agreement toward the initial franchise fee due for that unit, and you must pay the balance of the initial franchise fee when you sign the Franchise Agreement. Your total initial investment will vary based on the number of units you will develop, own and operate.

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 the 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 or grant. 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 disclosures in different formats, contact Sarah Kulbatski at 210 Shields Court, Markham, Ontario, Canada L3R 8V2, and (905) 479-8762.

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 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, 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: December 17, 2012



# **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 D 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:

THE MASTER FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO LITIGATE WITH THE FRANCHISOR ONLY IN ONTARIO, CANADA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE WITH THE FRANCHISOR IN ONTARIO, CANADA THAN IN YOUR HOME STATE.

THE MASTER FRANCHISE AGREEMENT STATES THAT ONTARIO, CANADA LAW GOVERNS THE AGREEMENT. THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS. SOME STATE FRANCHISE LAWS PROVIDE THAT CHOICE OF LAWS PROVISIONS ARE VOID OR SUPERSEDED. YOU MAY WANT TO INVESTIGATE FURTHER WHETHER YOU ARE PROTECTED BY A STATE FRANCHISE LAW. YOU SHOULD REVIEW ANY ADDENDA OR RIDERS ATTACHED TO THIS DISCLOSURE DOCUMENT FOR DISCLOSURES REGARDING STATE FRANCHISE LAWS.

### THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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



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# STATE EFFECTIVE DATES

California	
Florida	May 9, 2012
Hawaii	
Illinois	
Indiana	
Maryland	· · · · · · · · · · · · · · · · · · ·
Michigan	
Minnesota	· (. · ·
New York	October 26, 2006, amended as of
North Dakota	
Rhode Island	
South Dakota	· · · · · · · · · · · · · · · · · · ·
Texas (one-time filing)	February 22, 2000
Utah	
Virginia	
Washington	September 10, 2012
Wisconsin	

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