

FOR USE IN MINNESOTA

FRANCHISE DISCLOSURE DOCUMENT



World of Sourdough Franchising, LLC
a Texas limited liability company
8700 Auburn Folsom Rd. Suite 700
Granite Bay, California 95746
(916) 509-2495
www.worldofsourdough.com



As a franchisee, you will operate a restaurant that offers a variety of handcrafted sandwiches and other products, under the marks “World of Sourdough,” “WOSD,” “Sourdough &Co.,” “Naturally Better!,” and other related trademarks.

~~The total investment necessary to begin operation of a World of Sourdough franchise is \$285,800 to \$568,725. This includes \$49,500 that must be The initial franchise fee is \$49,500.00. The estimated initial investment required (including this initial franchise fee) ranges from \$285,800 to \$568,725. This sum does NOT include any salary or other payments to you or your principals. The estimated initial investment includes the initial franchise fee of \$49,500 and the Area Development Fee of \$150,000 that must be paid to Franchisor or an affiliate~~

~~The total investment necessary to begin operation of your first World of Sourdough franchise under an Area Development Agreement is \$199,500 to \$484,500. This includes \$150,000 that must be paid to the Franchisor or an affiliate.~~

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 to you. To discuss the availability of disclosures in different formats, contact World of Sourdough Franchising, LLC at the address and phone number listed above.

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

affiliates, or our other franchisees.

Industry-Specific Laws and Regulations.

The products and services you sell may be subject to local, county and state regulation. By way of example only, many state and local laws/regulations/ordinances require food service permits for the handling of food. You and your employees may need to pass a test to obtain such permits. There may be laws governing food storage, preparation and service, and inspections relating to these laws. There may be laws requiring washrooms and other facilities for customers and employees, and access laws related to disabled patrons and employees. You may also need a business license, and possibly other licenses or permits, from your local or state government to operate your business. You should consult with your own legal counsel to determine the applicability of these and other laws and regulations to the operation of your Franchised Restaurant.

It is important that you comply with all laws and regulations in this area and that you become educated regarding retail services and requirements. Some of these laws and regulations may require special certification, licensing, and registrations before you can begin providing services.

~~Among other licenses and permits you may need are: Zoning or Land Use Approvals, Sales and Use Tax Permits, Special Tax Stamps, Fire Department Permits, Food Establishment Permits, Health Permits, Food Handler's Permit, Alarm Permits, County Occupational permits, Retail Sales Licenses, and Wastewater Discharge Permits. There may be other laws, rules or regulations which may affect your Franchised Business, including, point of sale disclosure regarding nutrition and dietary characteristics (e.g., calories, fat content, etc.) of the food served at your Franchised Business, laws concerning the protection of customer's credit card numbers and financial data, minimum wage, and labor laws along with the ADA, OSHA, and EPA considerations.~~

The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce regulations that govern food preparation and service and restaurant sanitary conditions. State and local agencies inspect stores to ensure that they comply with these laws and regulations.

The federal Clean Air Act and various state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particulate matters, including caps on emissions from commercial food preparation. Some state and local governments have also adopted, or are considering proposals, that would regulate indoor air quality, including the limitation of smoking tobacco products in public places such as restaurants.

~~We are not obligated to provide you with guidance about these laws and regulations and you are solely responsible for knowing about and complying with all laws and regulations applicable to your Franchised Restaurant. We recommend that you consult with your attorney for an understanding of these laws. The United States enacted the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001" (the "USA Patriot Act"). We are required to comply with the USA Patriot Act. To help us comply with the USA Patriot Act, we ask you in the Franchise Agreement to confirm for us that neither you nor your directors, officers, shareholders, partners, members, employees, or agents are suspected terrorists or persons associated with suspected terrorists or are under investigation by the U.S. government for criminal activity. You may review the~~

ITEM 2
BUSINESS EXPERIENCE

President: Jatinder (“Nick”) Singh

Jatinder (“Nick”) Singh is our President and one of our managers. He is also one of our owners/members. He has held these positions and been an owner since we were first formed on March 18, 2021, located in Granite Bay, California. From 2018 to 2021, Nick was the President and Manager, and owner, of Trademark Pizza Company, LLC in Roseville, California. From 2009 to the present, he has worked as a retailer and developer in gas stations in California.

Vice President & Secretary: Songye Qin

Songye Qin is our Vice-President, Secretary, Co-Manager, and Member since our formation on March 18, 2021, located in Granite Bay, California. She is also one of our owners/members. From November 2015 to February 2021, Songye worked as a supervisor at Capital Restaurant Services located in Sacramento, California.

Independent Consultant for Operations: Lowell Steven (“Steve”) Presson

Steve Presson has been an independent consultant for WOSD assisting with business operations since January 2, 2024, located in Granite Bay, California. From 2016 to December 2023, Steve was President of Sourdough & Co. based in El Dorado Hills, California.

ITEM 3
LITIGATION

GSD Foods, Inc., Davinder Singh, an individual, Powerglide Holdings, LLC, Kaldeep Uppal, an individual; SD-Folsom, Inc. (“Plaintiffs”) v. Sourdough & Co., Inc., SFSE of EDH, Inc., Lowell Steven Presson, an individual, R. Gordon Ross, an Individual, David Bagley, an individual (together, the “**Original Defendants**”), and World of Sourdough Franchising, LLC, Jatinder Singh, an individual, and Songye Qin Presson, an individual (Case No. 34-2020-0027829B).

On March 9, 2020, the Plaintiffs filed an initial complaint in California, County of Sacramento against the Original Defendants asserting claims against the Original Defendants for violations of the California Franchise Investment Law – Sale of unregistered franchises, violation of Cartwright Act, unfair business practices, accounting, unlawful product typing, fraud, breach of implied covenant of good faith a fair dealing, civil RICO and (fraud, conspiracy).

Thereafter, on June 14, 2023, the Plaintiffs (former franchisees of Sourdough & Co.) filed an amended complaint seeking to bring us and our principals in the Lawsuit for secondary liability under the theory of single enterprise, for the claims of violations by Sourdough & Co. against its former franchisees. The state court amended complaint filed in California, County of Sacramento, asserted claims against Sourdough & Co. for violations of the California Franchise Investment Law – Sale of unregistered franchises, unfair business

practices, accounting, unlawful product typing, fraud, breach of implied covenant of good faith a fair dealing, civil RICO (fraud, conspiracy), declaratory relief – Sourdough Corporation’s license agreements constitute franchises, scheme to sell vital products at inflated prices, and asserted secondary liability for such claims against us and our principals based on personal relationships between Sourdough & Co. and us. The Plaintiffs sought compensatory damages for the defendants jointly and severally for \$900,000, injunctive and declaratory relief. The parties settled all claims and entered into a confidential settlement agreement with us settling all claims for \$240,000 to be paid in installments. The parties also exchanged mutual releases. The complaint will be dismissed with prejudice upon the final payment of the settlement amount. Plaintiff’s Request for Dismissal of all claims was filed on June 21, 2024.

S.L. Presson Inc. (“Plaintiff”) vs. Lowell Steven Presson filed in the Superior Court of the State of California, County of Sacramento (Case No. 34-2020-0028181724). Plaintiff asserted claims of breach of contract, intentional interference with contractual relations, tortious interference with prospective economic advantage, unfair business practices, trade libel, fraud, conversion, breach of fiduciary duty, and sought declaratory relief as to consulting agreement and stock purchase agreement, Rescission of Stock consulting agreement based on fraud and/or failure of consideration. The complaint was filed on July 16, 2020. There is a hearing to dismiss in March 2025. ~~The parties expect a dismissal with prejudice. On March 7, 2025, the court dismissed the case with prejudice.~~

KULWANT SINGH, an individual; JOGINDER DULAI, an individual (“Plaintiffs”) v. S.L. PRESSON, INC., a California corporation; PRAB GROUP, a California corporation; STEVE PRESSON, an individual; and DOES 1 through 10, inclusive (“Presson”). Plaintiffs filed the complaint on November 27, 2019, in Superior Court of the State of California, County of Sacramento (CASE NO. 34-2020-00278230) asserting claims of Failure to Register Franchise (Corp. Code §§31300, 31110); Violation of Business & Professions Code section 17200; Intentional Misrepresentation; Negligent Misrepresentation; and Declaratory Relief. Presson filed a cross complaint on 9/18/2020 asserting fraud and deceit. ~~The mandatory settlement conference is scheduled for May 28, 2025, and the trial date is scheduled for July 8, 2025. There is a settlement hearing in May 2025, and a trial date set in July 2025.~~

ITEM 4 **BANKRUPTCY**

No bankruptcies are required to be disclosed in this disclosure document.

ITEM 5 **INITIAL FEES**

You must pay us a \$49,500 initial franchise fee when you sign your Franchise Agreement. If you are signing a Franchise Agreement that is not covered by an Area Development Agreement, then you must pay us a \$49,500 initial franchise fee when you sign that Franchise Agreement.

At the time you sign your Franchise Agreement and anytime thereafter, that you are in good standing under your Franchise Agreement, you may purchase additional WOSD Franchised Restaurants in accordance with the initial franchise fee schedule outlined in the chart below. To qualify, you must meet the following minimum conditions (a) you must satisfy our then current qualifications and training requirements, (b) not

Note 10 – Mediation Fees, Attorneys’ Fees, Arbitration Fees, and Collection Costs: Prior to bringing any claim against Franchisor, you must first try to settle the dispute by mediation, and both parties will bear their own costs and expenses in such mediation. In the event that any arbitration or judicial proceeding is filed by either you or us, the prevailing party shall be entitled to recover its attorneys’ fees, court/arbitration costs, and collection.

ITEM 7
YOUR ESTIMATED INITIAL INVESTMENT

The following charts provide estimates for your WOSD Franchised Restaurant. All costs listed herein are estimates only. ~~Actual costs will vary for each franchisee and each location or Franchised Restaurant, depending on a number of factors. We cannot and do not guarantee that your costs will fall within the stated ranges.~~ The stated estimated ranges are based upon the prior experience and industry research of our President Jatinder (“Nick”) Singh (whose biographical information is contained in Item 2 of this Disclosure Document). All fees and payments are non-refundable, unless otherwise stated.

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payments are to be Made
Initial Franchise Fee	\$49,500	\$49,500	The Initial Franchise Fee is \$49,500 for a defined territory which includes training and a web page. The Initial Franchise Fee is non-refundable.	At signing of the Franchise Agreement or Area Development Agreement	Franchisor See Item 5
Technology	\$7,000	\$15,500	As incurred; for POS system, computer or laptop, tablet, software, modem, routers, flat screen televisions, sound system, camera surveillance system and telephones.	Before Opening	Payable to us, our affiliates, or approved vendors.
Kitchen, Equipment, Furniture and Fixtures	\$50,000	\$95,000	As incurred; actual costs will vary based on the size of your facility. Estimated expenses are for all furniture and fixtures necessary for the operation of your Business.	Before opening	Payable to our approved vendors. See Note 1.
Real Estate	\$5,000	\$12,000	As incurred; estimated expenses for your business location.	Before Opening	Landlord See Note 2

Leasehold Improvements	\$125,000	\$300,000	As incurred; the costs to construct interior alterations, improvements, lighting and decorating the facility will depend on the extent of the renovations needed to convert space into separate areas and any allowance you negotiate with the landlord for construction.	Before Opening	Landlord See Note 3.
Utilities	\$1,500	\$4,000	As incurred; the cost of the deposit will vary due to policies of local utilities and is an estimate.	Before Opening	Local Utility Suppliers See Note 4.
Signage	\$5,000	\$15,000	Lump sum; estimated cost for the delivery and installation of interior and exterior signage including window graphics. We specify and provide you with signage guidelines in the Operating Manual. Signage expenses are not refundable.	Before Opening	Approved Vendors See Note 5.
Architectural Drawings	\$4,000	\$15,000	As Incurred	Before Opening	Architect
Start Up Inventory	\$8,650	\$12,200	Lump sum; estimates for a startup inventory of products and supplies necessary for your first month of operation.	Before Opening	Payable to us, our affiliates, or approved vendors See Note 6.
Grand Opening	\$7,500	\$10,000	As Incurred	Before Opening	Payable to our approved vendors. See Note 7.
Equipment Decor	\$3,500	\$5,000	As incurred; actual costs will vary based on the size of your facility. Estimated expenses are for all décor/equipment necessary for the operation of your Business.	Before Opening	Payable to our approved vendors. See Note 8.

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
California	Department of Financial Protection and Innovation 2101 Arena Blvd Sacramento, CA 95834	Department of Financial Protection and Innovation 2101 Arena Blvd Sacramento, CA 95834 www.dfpi.ca.gov toll free (866) 275-2677 Ask.Dfpi@dfpi.ca.gov
Hawaii	Franchise & Securities Division State Department of Commerce P.O. Box 40 Honolulu, HI 96813 (808) 586-2722	Director, Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96810
Illinois	Franchise Division Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, IL 62706
Indiana	Franchise Division Office of Secretary of State 302 West Washington, Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
Maryland	Franchise Office Division of Securities 200 St. Paul Place – 20 th Floor Baltimore, MD 21202 (410) 576-6360	Maryland Securities Commissioner Securities Division 200 St. Paul Place, 20 th Floor Baltimore, MD 21202-2020
Michigan	Consumer Protection Division Franchise Section P.O. Box 30213 Lansing, MI 48909 (517) 373-7117	Michigan Attorney General Consumer Protection Division 670 Law Building Lansing, MI 48913
Minnesota	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101 (651) 539-1600 (651) 296-6328	Minnesota Department of Commerce 85 7th Place East, Suite 280 500 St. Paul, MN 55101 (651) 539-1600

protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify us our from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the Franchisor’s primary trade name.

All statements in the Disclosure Document and Franchise Agreement that state that Franchisor is entitled to injunctive relief are amended to read: “franchisor may seek injunctive relief” and a court will determine if a bond is required.

Payment of Initial Franchise and Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. The Minnesota Department of Commerce imposed this deferral requirement due to Franchisor’s financial condition.

Minnesota Rule 2860.4400D prohibits the Franchisor from requiring a Franchisee to assent to a general release. The Disclosure Document and Franchise Agreement are modified accordingly, and to the extent required by law.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17.Subd.5.

(Signature of Franchisee)

(Name of Franchisee)

(Title)

RHODE ISLAND Notwithstanding anything in this Agreement to the contrary, all Rhode Island located franchisees will be governed by the Rhode Island Franchise Investment Act.

WASHINGTON If any of the provisions of this Franchise Disclosure Document or the Franchise Agreement are inconsistent with the relationship provisions of R.C.W. 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over inconsistent provisions of the Franchise Disclosure Document and the Franchise Agreement with regard to any franchise sold in Washington.

WISCONSIN Chapter 135, Stats. of the Wisconsin Fair Dealership Law supersedes any provisions of the Franchise Agreement that may be inconsistent with that law.

II. POST-TERM COVENANTS NOT TO COMPETE

For franchises governed by laws of the following states:

CALIFORNIA, CONNECTICUT, HAWAII, ILLINOIS, INDIANA, MARYLAND,
MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND,
SOUTH DAKOTA, VIRGINIA, WASHINGTON, WISCONSIN