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FRANCHISE DISCLOSURE DOCUMENT



AMSTERDAM FALAFELSHOPS, LLC
(a Delaware limited liability company)
2425 18th Street NW
Washington, DC 20009
888-788-7771
www.falafelshop.com
info@falafelshop.com

An "Amsterdam Falafelshop" franchise is a restaurant business using a distinctive and innovative system specializing in falafels, self-serve garnishes, salads and toppings, twice-cooked Dutch-style fries, and other menu items.

The total investment necessary to begin operation of an "Amsterdam Falafelshop" franchise is \$366,300 to \$513,400. This includes \$29,500 that must be paid to the franchisor or its affiliates.

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 Arianne Bennett at Amsterdam Falafelshops LLC, 202-468-6489 or at info@falafelshop.com.

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, D.C. 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.

The issuance date of this Franchise Disclosure Document is: April 30, 2017.

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 E 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 DELAWARE. OUT OF STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE OR LITIGATE WITH US IN DELAWARE THAN IN YOUR OWN STATE.
- *2. THE FRANCHISE AGREEMENT PROVIDES THAT DELAWARE LAW GOVERNS THE AGREEMENT, EXCEPT TO THE EXTENT THAT THE LANHAM ACT GOVERNS. DELAWARE 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 ARE LIABLE TO PAY US LIQUIDATED DAMAGES IN AN AMOUNT EQUAL TO YOUR AVERAGE MONTHLY ROYALTY FEES AND SYSTEM FUND CONTRIBUTIONS DUE US DURING THE OPERATION OF YOUR FRANCHISE MULTIPLIED BY 36 MONTHS OR THE NUMBER OF MONTHS REMAINING IN THE FRANCHISE AGREEMENT, WHICHEVER IS LESS.
4. AS OF THE DATE OF THIS DISCLOSURE DOCUMENT, FALAFELSHOP INC. OPERATES ONE OF SIX AMSTERDAM FALAFELSHOP RESTAURANTS IN OPERATION AND GUARANTEES THE PERFORMANCE OF OUR OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. FALAFELSHOP INC.'S AUDITED FINANCIAL STATEMENTS SHOW THAT AS OF DECEMBER 31, 2016 IT HAD A WORKING CAPITAL DEFICIENCY OF \$122,299, AN ACCUMULATED LOSS FROM OPERATIONS OF \$657,169, AND A DEFICIT IN RETAINED EARNINGS OF \$107,175. THIS MAY ENTAIL ADDITIONAL RISK OF FINANCIAL LOSS AND YOU MAY WANT TO TAKE THIS INTO CONSIDERATION WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
5. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$366,300 to \$513,400. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDER'S EQUITY OF (\$107,175) AS OF DECEMBER 31, 2016.
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

* Local law may supersede these agreement provisions. Certain states require the superseding provisions to appear in an addendum to this Disclosure Document (see Exhibits H and I).

We may 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 make sure to do your own investigation of the franchise.

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

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This Franchise Disclosure Document is registered, on file, or exempt from registration in the following states having franchise registration disclosure laws, with the following states.

STATES	EFFECTIVE DATE
California	
Florida	
Hawaii	<i>not filed</i>
Illinois	
Indiana	<i>not filed</i>
Maryland	
Michigan	<i>not filed</i>
Minnesota	<i>not filed</i>
New York	
North Dakota	<i>not filed</i>
Rhode Island	<i>not filed</i>
South Dakota	<i>not filed</i>
Utah	<i>not filed</i>
Virginia	
Washington	<i>not filed</i>
Wisconsin	<i>not filed</i>

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