

FRANCHISE DISCLOSURE DOCUMENT

PAIN AMERICAIN, LLC

a Delaware limited liability company

3520 9th Street

Long Island City, New York 11106

(718)729-6832

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The franchise offered is for a quick-service restaurant offering a menu specializing in fresh breads and pastries as well as other popular bakery items. The Franchise operates under the name “Café D’Avignon” and offers dine-in and take-out service. You may offer beer and wine at each location with our prior written approval. Delivery and catering services can be provided from the Restaurant with prior our written approval.

The total investment necessary to begin operation of a Café D’ Avignon franchise \$287,600 to \$984,000. This includes \$50,000 to \$97,000 that must be paid to the franchisor and/or its affiliates.

If you enter into a Multi-Unit Operator Agreement to develop multiple Café D’ Avignon franchises, when you sign the Multi-Unit Operator Agreement you will pay a development fee equal to 100% of the initial franchise fee for the first restaurant to be developed, plus a deposit of 50% of the initial franchise fee for each additional restaurant to be developed under the Multi-Unit Operator Agreement. You are required to develop a minimum of three restaurants to enter into a Multi-Unit Operator Agreement. The total estimated investment under a Multi-Unit Operator Agreement to develop three Café D’ Avignon Franchises is \$324,600 to \$1,021,500. This includes \$70,000 that must be paid to the franchisor and/or its affiliates. The total investment under a Multi-Unit Operator Agreement will vary depending on the number of restaurants to be developed.

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. **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 Uliks Fehmiu at 3520 9th Street, Long Island City, New York, 11106 and (718)729-6832.

The terms of your contract will govern your franchise relationship. Do not 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.

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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 I 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 AND MULTI-UNIT OPERATOR AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION AND LITIGATION ONLY IN THE STATE OF NEW YORK. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE AND LITIGATE WITH US IN THE STATE OF NEW YORK THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND MULTI-UNIT OPERATOR AGREEMENT STATE THAT NEW YORK LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE COULD BE A HIGH RISK INVESTMENT THAN A SYSTEM WITH A LONGER OPERATING HISTORY.
4. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$287,600 TO \$1,021,500. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF OCTOBER 31, 2016, WHICH IS \$25,000.
5. THE FRANCHISOR HAS THE RIGHT TO BUY BACK THE RESTAURANT AT ANY TIME AFTER IT HAS OPENED FOR SIX TIMES THE RESTAURANT'S EBITDA OR 200% OF THE RESTAURANT'S ASSETS (DEPENDING ON HOW LONG THE RESTAURANT HAS BEEN OPEN). HOWEVER THIS MAY NOT REIMBURSE YOU FOR ALL AMOUNTS PAID INCLUDING INITIAL FRANCHISE FEE, BUILDOUT OR ANY OTHER COSTS.
6. 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.

Effective Date: See next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that this 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 Disclosure Document is either registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California
Connecticut
Florida
Hawaii
Illinois
Indiana
Kentucky
Maine
Maryland
Michigan
Minnesota
Nebraska
New York
North Carolina
North Dakota
Rhode Island
South Carolina
South Dakota
Texas
Utah
Virginia
Washington
Wisconsin

March 27, 2017

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