

AMERICAN SHAMAN FRANCHISE SYSTEMS, INC.

855-427-7386

ShamanFranchise.com



The franchise offered by AMERICAN SHAMAN FRANCHISE SYSTEMS, INC. is for the establishment and operation of a business that will conduct a retail establishment that offers certain “Industrial Hemp Derived” based products to the public under the name “CBD AMERICAN SHAMAN”.

The total investment necessary to begin operation of your AMERICAN SHAMAN FRANCHISE SYSTEMS, INC. franchised business is from \$39,500 to \$121,500. The initial fees paid to the Franchisor or our affiliates are \$15,000.00 to \$20,000.00. If you purchase a Multi Unit Development Agreement, the cost of the Franchise Fee and initial payments to us or our affiliates will depend on the number of franchise licenses you purchase.

This disclosure document summarizes certain provisions of the 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 fourteen (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:

Ricardo Lopez

913-749-2274

ricky@cbdamericanshaman.com

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire 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,” 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 <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.

The issuance date: March 1, 2018

EFFECTIVE DATES OF STATE REGISTRATIONS

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Florida, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington and Wisconsin. The document is effective in all other states upon the issuance date.

As of the date of the issuance of this Disclosure Document no registration has been obtained in any of the above states.

State	Effective Date
California	Not Registered
Florida	Not Registered
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Kentucky	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
New York	Not Registered
Nebraska	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Texas	Not Registered
Utah	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered
All States not listed above	March 1, 2018

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-2” 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 LITIGATION/ARBITRATION/MEDIATION ONLY IN NEVADA. OUT-OF-STATE LITIGATION/ARBITRATION/MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE/ARBITRATE/MEDIATE WITH US IN NEVADA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT NEVADA 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. THE PRODUCTS WHICH ARE SOLD THROUGH OUR RETAIL FRANCHISE OUTLETS CONSIST OF INDUSTRIAL HEMP GROWN IN COMPLIANCE WITH THE PROVISIONS OF Section 7606 of the 2014 Farm Bill Act, called the “Legitimacy of Industrial Hemp Research.”
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE. YOU MUST INVESTIGATE YOUR PARTICULAR STATE AND LOCAL LAWS REGARDING THE TRANSPORTATION, POSSESSION, SALE AND USE OF INDUSTRIAL HEMP AND CANNABIDOL.

The issuance date of this Franchise Disclosure Document is March 1, 2018.

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