

## FRANCHISE DISCLOSURE DOCUMENT

**AMERICAN SHAMAN FRANCHISE SYSTEM, LLC**  
A Nevada Limited Liability Company

**2300 Main, Suite 165**  
**Kansas City, MO 64108**  
**855-427-7386**  
**franchisedevelopment@cbdamericanshaman.com**  
**AmericanShamanFranchise.com**



The franchise offered by AMERICAN SHAMAN FRANCHISE SYSTEM, LLC, 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 SYSTEM, LLC, franchised business is from \$34,625.00 to \$131,825.00. This includes \$25,000.00 that must be paid to us or our affiliates. If you sign a Multi-Unit Development Agreement, you will pay us \$10,000 more for each additional (excluding your first SHAMAN store) SHAMAN store that you secure the right to develop; provided, however, for every four SHAMAN stores you commit to develop and open within 12 months of signing your Multi Unit Development Agreement, we grant you the right to open one additional SHAMAN store and we waive the franchise fee for such additional SHAMAN store. We only grant development rights in blocks of five SHAMAN stores so you will be required to pay a multiple franchise fee equal to \$10,000 per SHAMAN store for a minimum of four SHAMAN stores upon signing the Multi Unit Development Agreement.

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:

Kathi Miley  
(855) 427-2233 ext. 109  
kathi@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.<sup>1</sup> Ask your state agencies about them.

Issuance Date: April 30<sup>th</sup>, 2021

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<sup>1</sup> For example, the Indiana Franchise Act requires the following language to be listed on the FDD Cover Page: "Indiana Registered Agent: Indiana Secretary of State, 201 State House, Indianapolis, Indiana 46204."

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
FOR AMERICAN SHAMAN FRANCHISE SYSTEM, LLC  
REQUIRED BY THE STATE OF MICHIGAN**

In recognition of the requirements of the Michigan Franchise Investment Law, Chapter 445, §§ 445.1501 through 445.1546 and the regulations promulgated thereunder, the Franchise Disclosure Document of **AMERICAN SHAMAN FRANCHISE SYSTEM, LLC**, for use in the State of Michigan shall be amended as follows:

1. The following is added on the State Cover Page, immediately before the Effective Date:

**THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS  
THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE  
FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE  
PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.**

- a. A prohibition on the right of the franchisee to join an association of franchisees.
- b. A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- c. A provision that permits a franchisor to terminate a franchisee prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.
- d. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logo type, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months advance notice of franchisor's intent not to renew the franchise.
- e. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- f. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- g. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from

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