

FRANCHISE DISCLOSURE DOCUMENT



Chickpea World LLC 15 Waverly Place New York, New York 10003-6760 Tel: (212) 475-1183 www.getchickpea.com

franchise@getchickpea.com

The franchise offered is for the right to operate a "Chickpea Restaurant" franchised business offering premium falafel, shawarma or kebob wraps, sandwiches, pita pocket sandwiches, hummus, salads, or other Mediterranean food products, quinoa, and a juice bar utilizing the proprietary system for Chickpea Restaurants. The total investment necessary to begin operation of a Chickpea Restaurant franchise ranges from \$346,200 - \$831,000. This amount includes \$25,400 to \$30,400 that must be paid to the franchisor or its affiliate. You also must pay the franchisor or its affiliate a total development fee equal to \$12,500 for the first Chickpea Restaurant to be developed plus \$7,500 for each additional Chickpea Restaurant to be developed if you sign an agreement for multi-unit development.

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 Ron Siegel, Vice President of Operations, at 15 Waverly Place, New York, New York 10003, and (212) 475-1183 and rnldsiegel@gmail.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.

Issuance date of this Franchise Disclosure Document: March 9, 2016.



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 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 CERTAIN DISPUTES WITH US BY ARBITRATION OR LITIGATION IN THE METROPOLITAN AREA OF OUR PRINCIPAL BUSINESS ADDRESS (CURRENTLY, NEW YORK, NEW YORK). OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN THE STATE OF OUR PRINCIPAL BUSINESS ADDRESS (CURRENTLY, NEW YORK) THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT REQUIRES THAT NEW YORK 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. WE WERE FORMED IN DECEMBER 2013. AS A RESULT, WE ONLY HAVE A BRIEF OPERATING HISTORY TO ASSIST YOU IN DETERMINING WHETHER OR NOT TO MAKE THIS INVESTMENT.
- 4. YOUR TERRITORY IS NOT EXCLUSIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR-OWNED OUTLETS, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT THE FRANCHISOR CONTROLS.
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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.

Chickpea Restaurants – 2016 FDD (FDD Items) NJ 228722229v10



CHICKPEA WORLD LLC 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 and disclosure laws, with the following effective dates:

Effective Date
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In all other states, this Franchise Disclosure Document's effective date is the issuance date of March 9, 2016.

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