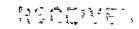


FRANCHISE DISCLOSURE DOCUMENT





FALA BAR FRANCHISING, INC
a California comportation - 8 PM 3: 38
7751 ½ Melrose Avenue
Los Angeles, California 90046 1547 (15)
(323) 424 7 131 NESS OVERSION
www falabar com
info@falabar com

The franchise offered is for a quick-service restaurant offering a menu specializing in healthy organic vegan food, such as falafels, vegan sandwiches, vegan burgers, salads, snacks and beverages The franchise operates under the name "Fala Bar" and offers dine-in and take-out service

The total investment necessary to begin operation of a Fala Bar franchise is \$232,100 to \$824,000. This includes \$40,000 that must be paid to the franchisor and/or its affiliates.

If you enter into a Multi-Unit Operator Agreement to develop multiple Fala Bar 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 Fala Bar franchises, including the costs to build and equip the first Fala Bar Restaurant, is \$264,100 to \$856,500. This includes \$60,000 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 Mike Shabtai at 7751 ½ Melrose Avenue, Los Angeles, California, 90046 and (323) 424-7131

The terms of your contract will govern your franchise relationship Do not rely on the disclosure document alone to understand your contracts Read all of your contracts carefully Show your contracts 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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Fala Bar/ufdd 02



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

- THE FRANCHISE AGREEMENT AND MULTI-UNIT OPERATOR AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION AND LITIGATION ONLY IN CALIFORNIA 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 CALIFORNIA THAN IN YOUR OWN STATE
- THE FRANCHISE AGREEMENT AND MULTI-UNIT OPERATOR AGREEMENT STATE THAT CALIFORNIA 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 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Effective Date See next page for state effective dates

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.



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

Calıfornıa

Connecticut

Exempt

Florida

January 5, 2017

Hawaii Illinois Indiana

Kentucky

Maine

Exempt

Maryland Michigan Minnesota

Nebraska

October 19, 2016

New York

North Carolina

Exempt

North Dakota

Rhode Island

South Carolina

Exempt

South Dakota

Texas

December 28, 2016

Utah Virginia Washington Wisconsin

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