

FRANCHISE DISCLOSURE DOCUMENT
CULINARY MANAGEMENT SERVICES, INC.

d/b/a

25 West Cliff Road, Suite 115
Burnsville, MN 55337
(952) 215-0477
www.falbobrospizza.com



The franchise offered is for the operation of a Falbo Bros Pizzeria Franchise. The Franchisor is Culinary Management Services, Inc. (“Falbo Bros”, “we”, or “Falbos”). We develop, operate, and franchise pizzerias-- offering distinct styles of pizza, submarine sandwiches, oven baked submarine sandwiches, appetizers, and salads under the name Falbo Bros Pizzeria. The total investment necessary to begin operation of a Falbo Bros Pizzeria franchise ranges from (\$40,000 to \$250,000), which includes a range of (\$10,000 to \$15,000) per location to be paid to the franchisor or affiliate, but does not include rent for the Franchised Location. This is an estimate. It cannot be guaranteed that you will not have additional expenses starting your business.

RISK FACTORS

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 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 have 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 disclosure in different formats, contact William Bernard at 25 West Cliff Road, Suite 115, Burnsville, MN 55337 (952) 215-0477.

The terms of your contract will govern your franchise relationship. Do not rely on this disclosure document alone to understand your contract. Read your Franchise Agreement carefully. We suggest that you review these documents with an attorney experienced in these matters. 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 OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A of this Franchise Disclosure Document for information about the franchisor, about other franchisors, or about franchising in your state. MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERMS EXPIRE. 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN MINNESOTA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN MINNESOTA THAN IN YOUR HOME STATE.

ANY DISPUTE NOT SUBJECT TO ARBITRATION MUST BE RESOLVED BY LITIGATION IN MINNESOTA. IT MAY COST YOU MORE TO LITIGATE WITH US IN MINNESOTA THAN IN YOU OWN STATE. THE FRANCHISE AGREEMENT STATES THAT MINNESOTA LAW GOVERNS THE AGREEMENT AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS THE LOCAL LAW IN YOUR DOMOCILE. YOU MAY WANT TO COMPARE THESE LAWS.

WE HAVE A FEDERAL REGISTRATION FOR OUR PRIMARY TRADEMARK (SEE ITEM 13).

THE FRANCHISEES AND THEIR SPOUSES MUST SIGN A GUARANTY AND ASSUMPTION OF OBLIGATIONS MAKING THE FRANCHISEES AND THEIR SPOUSES JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISEES AND THEIR SPOUSES AT RISK.

WE MAY TERMINATE YOUR FRANCHISE AGREEMENT IF YOU DO NOT OPEN YOUR RESTURANT WITHIN 12 MONTHS AFTER YOU SIGN THE FRANCHISE AGREEMENT. THE FRANCHISEE FEE IS NONREFUNDABLE.

IT MAY TAKE 8 TO 18 MONTHS TO FIND AN ACCEPTABLE SITE AND/OR OBTAIN AN ACCEPTABLE LEASE.

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THE FRANCHISOR HAS LIMITED CAPITAL RESOURCES. THIS COULD
RESULT IN THE FRANCHISOR BEING UNABLE TO MEET CURRENT OBLIGATIONS.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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