

FRANCHISE DISCLOSURE DOCUMENT

PARLOUR ENTERPRISES, INC.

A California corporation
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The franchised business is a themed restaurant that offers excellent food, outrageous ice cream dishes, superb service and a large old-fashioned candy and merchandise area in an entertaining atmosphere. The total investment necessary to begin operation of your first FARRELL'S ICE CREAM PARLOUR® franchise ranges from \$1,210,700 to \$2,032,700. This includes \$50,000 that must be paid to the franchisor.

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 payments 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.**

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, such as 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 may contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You may 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.

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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 THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A-1 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. WE RESERVE THE RIGHTS TO CONTROL CATERING ACTIVITIES, MAKE SALES AT SPECIAL EVENT LOCATIONS, AND COMPETE IN ALTERNATIVE CHANNELS OF COMMERCE.
2. WE REQUIRE YOUR PERSONAL GUARANTY AND THE CONSENT OF YOUR SPOUSE SO THAT A DEFAULT FOR ANY REASON PUTS YOUR COMMUNITY ASSETS AND ANY SEPARATE PROPERTY YOUR SPOUSE ACQUIRES AFTER SIGNING THE GUARANTY AT RISK.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Dates (See next page):

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.

The franchise disclosure document is registered, on file, or exempt from registration in the following states having franchise registration disclosure laws, with the following effective dates:

California: Pending

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