

FRANCHISE DISCLOSURE DOCUMENT



Received LA Mailroom

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Department of Business Oversight

FLAME & SKEWERS FRANCHISE, INC 2334 Perseus Court Bakersfield, CA 93308 Phone 661-393-9133 Email <u>franchise@FlameandSkewers com</u> Website <u>www.FlameandSkewers.com</u>

We are FLAME & SKEWERS FRANCHISE, INC a California corporation We offer franchises to qualified individuals and entities to own and operate a FLAME & SKEWERS franchise under Our service marks, trade names, programs, and systems under the name "FLAME & SKEWERS," *(the "Marks")* Our franchisees operate a quick service restaurant selling Middle Eastern specialties like Kabobs, Shawerma plates and sandwiches, Kafta, Falafel, Hummus and other menu items under the Marks and the FLAME & SKEWERS programs and systems (the "Method of Operation")

The total investment necessary to begin operation of a FLAME & SKEWERS franchise is \$295,300 to \$459,600 This includes \$30,000 that must be paid to Us or an affiliate if You are purchasing one franchise You may purchase more than one franchise by paying an Area Development Fee The Initial Franchise Fee for multiple franchises is \$30,000 for the first franchise and \$25,000 for each additional franchise

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 Nabeel Mansour, 2334 Perseus Court, Bakersfield, CA 93308 Office Phone 661-342-7662

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 "Buying a Franchise A Consumer Guide," 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 <u>www ftc gov</u> 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 March 15, 2014



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 F 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 DISPUTES WITH US BY ARBITRATION, AND LITIGATION ONLY IN CALIFORNIA OUT-OF-STATE LITIGATION AND MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO SUE OR MEDIATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE
- 2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THIS AGREEMENT, AND CALIFORNIA LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS
- 3 THE FRANCHISOR HAS BEEN OFFERING FRANCHISES FOR A SHORT PERIOD OF TIME THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT
- 4 YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY YOU MAY FACE COMPETITION FROMOTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

The franchisee will be required to make an estimated initial investment ranging from \$295,300 to \$459,600 This amount exceeds the franchisor's stockholders equity of \$50,000 as of December 16, 2014

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

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