

## FRANCHISE DISCLOSURE DOCUMENT

GANDOLFO'S DELIBOYS, LLC A Utah Limited Liability Company 370 Safe Water Cove Lawrenceville, Georgia 30043 (770) 513-7220 www.gandolfosdeli.com



The franchisee will operate either a Gandolfo's Deli franchised restaurant, which is a New York deli-style restaurant specializing in serving large hero style sandwiches in a sporty New York atmosphere, as authorized by Gandolfo's ("Restaurant"), or a Gandolfo's mobile food truck unit, which consists of (a) a commissary where supplies, food products, equipment and other items required under the System may be held, and (b) a motor vehicle truck displaying a New York deli-style decorum traveling on designated routes and offering large hero style sandwiches, as authorized by Gandolfo's ("Mobile Food Truck Unit").

The total investment necessary to begin operation of (i) a Gandolfo's franchised Restaurant is \$374,700 to \$624,200 and (ii) a Gandolfo's franchised Mobile Food Truck Unit is \$112,950 to \$165,700. This includes a \$25,000 initial franchise fee for a Gandolfo's franchised Restaurant or a \$9,000 initial franchise fee for a Gandolfo's franchised Mobile Food Truck Unit that must be paid to Gandolfo's or an affiliate. The total investment to become an area developer is, in addition to the operational investment described above (less the applicable initial franchise fee), an area development fee equal to \$25,000 for the initial Restaurant or \$9,000 for the initial Mobile Truck Unit you will open under the Area Development Agreement plus \$25,000 for each subsequent Restaurant or \$9,000 for each subsequent Mobile Truck Unit you will open under the Area Development Agreement. The area development fee must be paid to Gandolfo's or an affiliate. The total investment to become a master franchise is, in addition to the operational investment described above, a master franchise fee equal to \$100,000 per one million people within the Trade Area we grant you which shall contain, at a minimum, one million people, and, at your election, \$5,000 for each existing location within the Trade Area we grant you. The master franchise fee must be paid to Gandolfo's or an affiliate.

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.

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 "<u>A Consumer's Guide to Buying a</u> <u>Franchise</u>," 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, N.W., Washington, D.C. 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.

April 1, 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 "M" 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 AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN GEORGIA. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN GEORGIA THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT GEORGIA 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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

TO THE EXTENT LOCAL LAW REQUIRES, YOU MAY HAVE CERTAIN RIGHTS UNDER THIS LAW. PLEASE SEE EXHIBIT "O" FOR AN EXPLANATION OF ANY APPLICABLE LOCAL LAW.

Effective Date: See the next page for state effective dates.

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