

FRANCHISE DISCLOSURE DOCUMENT

ITALIAN DELIGHT FRANCHISE, LLC

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The Italian Delight Franchise offers a fast casual restaurant franchise model that requires between 800 and 2,500 square feet of space located in a mall location, strip center location. The franchise being offered is an authentic Italian cuisine restaurant operation operating within the distinctive Italian fast casual segment, Italian Delight.

- (1) The total investment necessary to begin operations of a Italian Delight franchise is \$197,950 to \$465,450 on the average. This includes \$25,000 that must be paid to the franchisor or affiliate.
- (2) 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.
- (3) The terms of your contract will govern your franchise relationship. Don't rely on this 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.
- (4) 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, D.C. 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.
 - (5) There may also be laws on franchising in your state. Ask your state agencies about them.
 - (6) Date of Issuance: 1/20/2015.



STATE COVER PAGE

Franchisee's state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in Franchisee's 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 for information about the franchisor, or about franchising in Franchisee's state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW FRANCHISEE TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. FRANCHISEE MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE FRANCHISEE'S BUSINESS. BEFORE FRANCHISEE BUY, CONSIDER WHAT RIGHTS FRANCHISEE HAVE TO RENEW FRANCHISEE'S FRANCHISE, IF ANY, AND WHAT TERMS FRANCHISEE MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before Franchisee buy this franchise:

- 1. THE FRANCHISE AGREEMENT REQUIRES FRANCHISEE TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN VIRGINIA. OUT-OF-STATE ARBITRATION MAY FORCE FRANCHISEE TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST FRANCHISEE MORE TO ARBITRATE WITH US IN VIRGINIA THAN IN FRANCHISEE'S OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT VIRGINIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. FRANCHISEE MAY WANT TO COMPARE THESE LAWS.
- 3. THIS IS A DEVELOPMENT STAGE COMPANY THAT MAY ENTAIL ADDITIONAL RISK OF FINANCIAL LOSS.
- 4. WE WERE FORMED ON 7/14/2014 AND HAVE A BRIEF OPERATING HISTORY FOR YOU TO REVIEW. BECAUSE WE HAVE BEEN OPERATING FOR ONLY A SHORT PERIOD OF TIME, WE HAVE LIMITED RESOURCES WITH WHICH TO SUPPORT THE FRANCHISE SYSTEM. YOU MAY WANT TO CONSIDER THESE FACTORS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.



- 5. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$197,950 TO \$465,450. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2014, WHICH IS \$555.
- 6. PLEASE NOTE THAT 99.5% OF THE FRANCHISORS ASSETS ARE INTANGIBLE. YOU MAY WANT TO TAKE THIS INTO CONSIDERATION WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist Franchisor in selling our franchise. A franchise broker or referral source represents us, not Franchisee. We pay this person a fee for selling our franchise or referring Franchisee to us. Franchisee should be sure to do Franchisee's own investigation of the franchise.

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