

FRANCHISE DISCLOSURE DOCUMENT



Jet's America, Inc. 37501 Mound Road Sterling Heights, Michigan 48310 586-268-5870

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The franchise being offered is for a restaurant serving pizza, subs or other sandwiches, salads and other food, primarily for carry-out and delivery. The estimated total amount of your investment necessary to begin operation of a Jet's Pizza franchise ranges from \$437,500 to \$631,000. This includes \$25,000 (or \$12,500 if you qualify for the 50% military discount) that must be paid to the franchisor or affiliate. If you are interested in development rights, under a typical three franchise Area Development Agreement, the area development fees payable to Jet's would typically be \$60,000 (or \$30,000 if you qualify for the 50% military discount). Jet's charges an area development fee of \$25,000 for the first location; \$20,000 for the second location, \$15,000 for the third location, and \$10,000 for each location thereafter. If you qualify for the 50% military discount, Jet's charges an area development fee of \$12,500 for the first location; \$10,000 for the second location, \$7,500 for the third location, and \$5,000 for each location thereafter.

This disclosure document <u>summarizes</u> 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 or grant. **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 James Galloway at 37501 Mound Road, Sterling Heights, Michigan 48310, (586) 268-5870, jimmy.galloway@jetspizza.com.

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 "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.

There may also be laws on franchising in your state. Ask your state agencies about them.

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How to Use This Franchise Disclosure Document

Here are some questions you might be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about
	outlet sales, costs, profits or losses. You
	should also try to obtain this information
	from others, like current and former
	franchisees. You can find their names and
	contact information in Item 20 or Exhibits
	D and E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to
	the franchisor or at the franchisor's
	direction. Item 7 lists the initial investment
	to open. Item 8 describes the suppliers you
	must use.
Does the franchisor have the financial	Item 21 or Exhibit B includes financial
ability to provide support to my	statements. Review these statements
business?	carefully.
Is the franchise system stable, growing	Item 20 summarizes the recent history of
or shrinking?	the number of company-owned and
XX'II I ' I I I I I I I'	franchised outlets.
Will my business be the only Jet's Pizza	Item 12 and the "territory" provisions in the
business in my area?	franchise agreement describe whether the franchisor and other franchisees can
Does the franchisor have a troubled legal	Items 3 and 4 tell you whether the
history?	franchisor or its management have been
mstory:	involved in material litigation or
	bankruptcy proceedings.
What's it like to be a Jet's Pizza	Item 20 or Exhibits D and E lists current
franchisee?	and former franchisees. You can contact
	them to ask about their experiences.
What else should I know?	These questions are only a few things you
	should look for. Review all 23 Items and all
	Exhibits in this disclosure document to
	better understand this franchise
	opportunity. See the table of contents.



What You Need To Know About Franchising Generally

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit H.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

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