

## FRANCHISE DISCLOSURE DOCUMENT



**LIVE BASIL FRANCHISING LLC**  
a Delaware limited liability company  
3900 East Mexico Avenue, Suite 1350  
Denver, Colorado 80210  
(303) 592-3800  
[www.livebasilpizza.com](http://www.livebasilpizza.com)  
[development@livebasilpizza.com](mailto:development@livebasilpizza.com)

The franchise is the right to establish and operate one or more restaurants featuring made-to-order pizzas and related items under the “Live Basil® Pizza” name and marks.

The total investment necessary to begin operation of a single Live Basil Pizza business is estimated to be \$416,500 to \$618,700. This includes \$26,500 to \$52,700 paid to franchisor or its affiliates. The total investment necessary to acquire the right to acquire multiple franchises under a multi-unit development agreement equals \$10,000, multiplied by the total number of franchises to be acquired (except for the first one). The development fee is credited in \$10,000 increments against the initial franchise fee due under each franchise agreement after the first one. Multi-unit developers are typically expected to acquire 5-20 franchises, so the total investment under a multi-unit development agreement typically ranges from \$40,000 to \$190,000. The entire investment under a multi-unit development agreement is paid to franchisor or its affiliates

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 government 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 Live Basil Franchising LLC, 3900 East Mexico Avenue, Suite 1350, Denver, Colorado 80210, (303) 592-3800.

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.

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](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.

**ISSUANCE DATE: March 23, 2015**

## 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 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 MULTI-UNIT DEVELOPMENT AGREEMENT AND FRANCHISE AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH THE FRANCHISOR BY ARBITRATION OR LITIGATION ONLY IN DENVER, COLORADO. 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 THE FRANCHISOR IN DENVER, COLORADO, THAN IN YOUR HOME STATE.

2. THE MULTI-UNIT DEVELOPMENT AGREEMENT AND FRANCHISE AGREEMENT STATE THAT COLORADO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. IF YOU ARE NOT AN INDIVIDUAL, YOUR OWNERS WILL HAVE TO GUARANTEE YOUR OBLIGATIONS AND BE BOUND BY THE PROVISIONS OF THE FRANCHISE AGREEMENT. YOUR SPOUSE AND, IF YOU ARE NOT AN INDIVIDUAL, THE SPOUSES OF YOUR OWNERS, MUST ALSO SIGN A GUARANTY, WHICH PLACES THE SPOUSE'S MARITAL ASSETS AT RISK.

4. THE FRANCHISOR WILL PERIODICALLY SET A MAXIMUM AMOUNT OF DEBT YOU MAY SERVICE. AND IF YOU PURCHASE MORE THAN ONE OUTLET, THE FRANCHISOR MAY REVISE THE AMOUNT OF LIQUIDITY YOU MUST MAINTAIN. IF YOU FAIL TO COMPLY WITH THESE REQUIREMENTS, THE FRANCHISOR MAY TERMINATE YOUR AGREEMENT AND YOU COULD LOSE YOUR INVESTMENT.

5. WE WERE ORGANIZED ON OCTOBER 9, 2013. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.

6. YOU WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$416,500 TO \$618,700. THIS AMOUNT EXCEEDS THE

FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2014, WHICH IS \$264,326.

7. YOU MUST COMPLY WITH MINIMUM AND MAXIMUM PRICES SET BY THE FRANCHISOR FOR THE GOODS AND SERVICES YOU SELL. THIS REQUIREMENT MAY REDUCE YOUR ANTICIPATED REVENUE AND NET INCOME.

8. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

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