

FRANCHISE DISCLOSURE DOCUMENT



MBO FRANCHISING LLC
A Delaware Limited Liability Company
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MBO Franchising, LLC offers franchises to operate Maui Brick Oven® restaurants serving a gluten-free menu featuring pizzas, other entrees, salads, desserts, bottled soft drinks, fruit juices, teas, beer (some gluten-free) and wine in a family casual dining setting. A gluten-free menu appeals primarily to people and families with gluten allergies, sensitivities or other concerns. The total investment to open and initiate operations of a single MBO franchise restaurant unit ranges from \$128,900 to \$427,100. This total investment includes a \$25,000 initial franchise fee paid to the franchisor. If you enter into an area development agreement with the franchisor, the total investment necessary to begin operation of at least three MBO franchise restaurant units ranges from \$368,300 to \$1,237,300, including \$65,000 for the area development fee (which includes the initial franchise fees for each unit) paid to the franchisor.

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. By law, you must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payments to, the franchisor, or any affiliate of the franchisor in connection with the proposed purchase by you, or sale by the franchisor, of a franchise. **NOTE, HOWEVER, THAT NO GOVERNMENT AGENCY HAS VERIFIED ANY OF 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, please contact Terry Covington, at 1215 Kihei Road, Kihei, Hawaii 96753 (808) 757-6821, maubrickoven@gmail.com.

The terms of your contract will govern your franchise relationship. Do not rely solely on the disclosure document to understand your contract. Read your entire contract carefully. Show your contract and the 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 is available from the United States Government's Federal Trade Commission. The FTC publishes "A Consumer's Guide to Buying a Franchise", which can help you understand how to apply this disclosure document. You can contact the FTC at 1-877-FTC-HELP (877-382-4357), or by writing to the FTC at 600 Pennsylvania Ave., NW, Washington DC 20580. You can also visit the FTC's web page at www.ftc.gov for additional resources. Call your state agency or visit your public library for other sources of information on franchising in your state.

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

The Issuance Date of this disclosure document is March 31, 2016.

STATE COVER PAGE

Your state may have franchise laws that require a franchisor to register, or file with a state 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 D 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 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 THIS FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US THROUGH LITIGATION ONLY IN THE STATE OF TENNESSEE OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO LITIGATE WITH US THAN IN YOUR OWN STATE
- 2 THIS FRANCHISE AGREEMENT STATES THAT TENNESSEE 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 THE FRANCHISOR HAS LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND THE FRANCHISOR'S PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES
- 4 THE FRANCHISOR HAS BEEN IN EXISTENCE FOR SHORT PERIOD OF TIME, SINCE APRIL 20, 2015 THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT
- 5 THE FRANCHISOR'S AUDITED FINANCIAL STATEMENTS DATED DECEMBER 31, 2015 REFLECT THAT CURRENT LIABILITIES EXCEED CURRENT ASSETS BY \$12,380 THIS MAY ENTAIL ADDITIONAL RISK OF FINANCIAL LOSS AND YOU MAY WANT TO TAKE THIS INTO CONSIDERATION WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY

6 THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$128,900 TO \$427,100. THIS AMOUNT EXCEEDS THE FRANCHISOR'S DEFICIT MEMBER'S CAPITAL OF \$12,380 AS OF DECEMBER 31, 2015.

7 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

The franchisor may use the services of one or more FRANCHISE BROKERS, or referral services, to assist it in selling our franchise. A franchise broker, or referral source represents the franchisor, not you. The franchisor pays this person a fee for selling its franchise, or referring you to the franchisor. You should be sure to do your own investigation of the franchise.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/maui-brick-oven>