

APR 20 2016

Department of
Business Oversight

FRANCHISE DISCLOSURE DOCUMENT



Neapolitan Express Franchise, LLC
a Delaware limited liability company
610 Sentry Parkway, Suite 130
Blue Bell, Pennsylvania 19422
Phone (888) 828-8199
Email max@neapolitanexpress.com
Web www.neapolitanexpress.com

We offer qualified individuals and entities a franchise for the right to independently own and operate a business that offers and sells fresh-baked pizza, specialty pizzas, assorted pastry items, various hot and cold beverages and other menu items (the "Approved Products") utilizing the mark NEAPOLITAN EXPRESS and our proprietary business system

We offer the following four (4) single-unit franchise models (i) a full-service restaurant location that offers and sells a full menu of Approved Products for both dine-in eating and carry out by customers (the "Kitchen Model"), (ii) a smaller brick and mortar location that offers a more limited menu of Approved Products for carry out by, as well as delivery to, customers (the "To Go Model"), (iii) a mobile food truck, which utilizes proprietary compressed natural gas ("CNG") technology as its engine components and CNG as its fuel, that offers and sells certain Approved Products at locations along a designated route approved by Franchisor (the "Mobile Model"), and (iv) a mobile food cart, which also runs on the proprietary CNG components and fuel, that offers and sells a more limited menu of coffee, breakfast items and other Approved Products at one or more locations along a designated route approved by Franchisor (the "Expresso Model")

The total investment necessary to begin operation of a single Kitchen Model ranges from \$562,670 to \$1,250,770, which includes \$100,000 to \$160,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of a single To Go Model ranges from \$433,670 to \$893,770, which includes \$100,000 to \$160,000 that must be paid to the franchisor or affiliate.

The total investment necessary to begin operation of a single Mobile Model ranges from \$186,070 to \$286,270, which includes \$96,000 to \$127,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of a single Expresso Model ranges from \$61,200 to \$123,400 which includes \$40,800 to \$50,400 that must be paid to the franchisor or affiliate.

We also offer qualified parties the right to open and operate multiple franchise models in accordance with a development schedule the parties agree to under our form of development agreement. The total investment necessary to begin operations under a development agreement will depend on the number of franchises we grant you the right to open. By way of example, the total investment necessary to begin operations under a development agreement for the right to open and operate three (3) franchises is between \$221,070 to \$321,270 if (a) none of these franchises are an Expresso Model, and (b) the initial franchise you open within your development area is a Mobile Model. This estimate includes a development fee amounting to \$70,000 that you must pay to franchisor prior to opening, as well as the total estimated initial investment to open and commence operations of your first franchise model (assuming the first model is a Mobile Model).

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.**

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 our Franchise Program Administrator, at Attn: Franchise Dept., c/o Neapolitan Express Franchise, LLC, 610 Sentry Parkway, Suite 130, Blue Bell, Pennsylvania 19422 or at (888) 828-8199.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire 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-FTCHELP 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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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 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 FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION (AT OUR OPTION) OR LITIGATION ONLY IN BLUE BELL, PENNSYLVANIA. OUT OF STATE MEDIATION/LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE AND/OR LITIGATE WITH US IN PENNSYLVANIA THAN IN YOUR OWN STATE.
- 2 THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT REQUIRE THAT PENNSYLVANIA LAW GOVERN THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3 IF YOU SIGN ANY FRANCHISE AGREEMENT AS AN INDIVIDUAL, YOUR SPOUSE MUST SIGN A PERSONAL GUARANTY MAKING YOUR SPOUSE JOINTLY AND INDEPENDENTLY LIABLE FOR THE FINANCIAL OBLIGATIONS UNDER THE AGREEMENT. IF YOU ARE A FRANCHISE ENTITY, THEN EACH OF YOUR OWNERS AND THEIR RESPECTIVE SPOUSES MUST SIGN A PERSONAL GUARANTY MAKING EACH OF THESE INDIVIDUALS JOINTLY AND INDEPENDENTLY LIABLE FOR THE FINANCIAL OBLIGATIONS UNDER THE AGREEMENT. ANY INDIVIDUAL THAT SIGNS THE PERSONAL GUARANTY MAY HAVE THEIR MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.
- 4 WE WERE FORMED ON JANUARY 16, 2014 AND HAVE A BRIEF OPERATING HISTORY. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
- 5 THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$61,200 TO \$1,250,770 (DEPENDING ON THE FRANCHISE MODEL AT ISSUE). THIS AMOUNT MAY EXCEED THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 1, 2014, WHICH IS \$68,585.
- 6 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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