

FRANCHISE DISCLOSURE DOCUMENT

Presta Financial Franchising, Inc.
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Received
LA Mailroom

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Department of
Business Oversight



The franchise offered is for the operation of a PRENDAMEX® financial service center (“Center”) which provides loans to customers based on pawn (collateral), with the items to be taken as pawns limited to gold, gold jewelry, small appliances, small electronics, cash checking and other related services.

The total investment necessary to begin operation of a PRENDAMEX Center is \$247,375 to \$480,425. This includes \$10,000 to \$20,000 that must be paid to the franchisor or an affiliate.

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, us or an affiliate in connection with the proposed franchise sale. Note, however that no government agency has verified the information contained in this document.

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 accountant.

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 Roberto Litwak at 15206 Ventura Blvd., Suite 302, Sherman Oaks, California 91403; (818) 907-8636.

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, DC 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information on franchising.

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

Issuance Date: April 30, 2016

STATE COVER PAGE

Your state may have a franchise law that requires a franchise 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 STATEMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor, about other franchisors, 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 PERMITS YOU TO MEDIATE AND ARBITRATE ONLY IN CALIFORNIA. OUT OF STATE MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE OR ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR HOME STATE.
2. WE WERE INITIALLY FORMED ON NOVEMBER 15, 2011. WE HAVE LIMITED OPERATING HISTORY IN THE UNITED STATES FOR YOU TO CONSIDER IN EVALUATING OUR BUSINESS AND PROSPECTS.
3. FOR THE PERIOD FROM NOVEMBER 15, 2011 (INCEPTION) TO DECEMBER 31, 2013 THE COMPANY WAS A DEVELOPMENTAL STAGE COMPANY, AS DEFINED BY FINANCIAL ACCOUNTING STANDARDS BOARD ("FASB") ACCOUNTING STANDARDS CODIFICATION ("ASC") 915, DEVELOPMENT STAGE ENTITIES. DURING THAT TIME THE COMPANY HAS NOT HAD ANY REVENUES AND DOES NOT HAVE ANY FINANCIAL TRANSACTIONS BEYOND INITIAL FUNDING TO ESTABLISH ITS EXISTENCE.
4. THE TOTAL INVESTMENT NECESSARY TO BEGIN OPERATION OF A PRENDAMEX CENTER IS \$247,375 TO \$460,425. THESE AMOUNTS EXCEED THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2015, WHICH IS \$13,018.
5. THERE MAY BE OTHER RISKS ASSOCIATED WITH THIS FRANCHISE.

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

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