

FRANCHISE DISCLOSURE DOCUMENT



Project Pie Franchising, LLC
a Delaware Limited Liability Company
5621 Palmer Way, Suite G
Carlsbad, CA 92010
Telephone: 760-268-0795
www.projectpie.com

Franchised Business: We offer area development rights and single unit franchises awarding the right to operate a fast casual restaurant under the Project Pie trademarks and business systems featuring artisan-style individually-sized custom pizzas that guests watch being assembled and baked in about two minutes in a high-fired stone hearth pizza oven.

Total Initial Investment: The total investment necessary to begin operation of a Project Pie restaurant in a Nontraditional Venue (non-airport) is \$298,500 to \$630,000; in a Nontraditional Venue (airport), \$348,500 to \$805,000; and in a Traditional Venue (non-airport), \$354,500 to \$695,500. Each range includes a \$35,000 Initial Franchise Fee that must be paid to us or our affiliates for each Project Pie restaurant that you develop.

The total investment necessary to begin operation as an area developer depends on the number of restaurants you commit to open. You pay us a Development Fee of \$35,000 for the first restaurant and \$15,000 for each additional restaurant in your Development Quota when you sign the Area Development Agreement, which we credit in specific increments to the Initial Franchise Fee payable for each Project Pie restaurant in your development commitment.

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 Peter Wright,

Chief Executive Officer, Project Pie Franchising, LLC, 5621 Palmer Way, Suite G, Carlsbad, California 92010 (telephone: 760-268-0795); peter@projectpie.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, N.W., 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.

Issuance Date: May 6, 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 OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.**

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 AREA DEVELOPMENT AGREEMENT AND FRANCHISE AGREEMENT EACH REQUIRE YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN SAN DIEGO COUNTY, CALIFORNIA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.
2. THE AREA DEVELOPMENT AGREEMENT AND FRANCHISE AGREEMENT EACH REQUIRE THAT CALIFORNIA 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. YOUR SPOUSE MUST SIGN A SPOUSAL CONSENT AGREEING TO THE FINANCIAL OBLIGATIONS UNDER THE AREA DEVELOPMENT AGREEMENT AND FRANCHISE AGREEMENT WHICH MAY PLACE YOUR SPOUSE'S MARITAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.
4. OUR MOST RECENT AUDITED FINANCIAL STATEMENTS HAVE BEEN PREPARED ASSUMING THAT WE WILL CONTINUE AS A "GOING CONCERN" (ABLE TO MAKE ENOUGH MONEY TO STAY AFLOAT). THESE STATEMENTS SHOW THAT WE HAVE LIMITED REVENUE, NEGATIVE WORKING CAPITAL, AND DURING OUR PAST FISCAL YEAR HAVE INCURRED LOSSES FROM OPERATIONS. THESE FACTORS RAISE DOUBT ABOUT THE FRANCHISOR'S ABILITY TO CONTINUE.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

At this time, we do not use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise, but we may do so in the future. A franchise broker or referral source represents us, not you. We will pay this person a fee for selling our franchise or referring you to us. You should make sure to do your own investigation of the franchise.

EFFECTIVE DATE: See the next page to this Franchise Disclosure Document.

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