

FRANCHISE DISCLOSURE DOCUMENT

Red Boy Pizza Franchising Corp.
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DEPARTMENT OF
BUSINESS OVERSIGHT
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The franchise offered by Red Boy Pizza Franchising Corp. is for the right to establish and operate a Red Boy Pizza Restaurant.

The total initial investment required to commence operations of a Red Boy Pizza franchise is estimated to range from \$186,000 to \$270,000 for a take-out Red Boy Pizza and \$279,000 to \$407,000 for a sit-down Red Boy Pizza restaurant. This includes the initial franchise fee of \$15,000 and the pre-opening services fee of \$10,000. The initial franchise fee for any subsequent franchise purchased by an existing franchisee is \$10,000.

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 Antoinette Radwan or Farid Radwan, at Red Boy Pizza Franchising Corp. 4308 Arden Place, Oakland, California, telephone number (510) 336-3160.

The terms of your contract will govern your franchise relationship. Do not 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, such as an attorney or 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 DC, 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 THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.**

Call the state administrators listed in Exhibit F 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN CALIFORNIA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR HOME STATE.**
2. **THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THIS AGREEMENT AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAWS. YOU MAY WANT TO COMPARE THESE LAWS.**
3. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

We use the services of one or more **FRANCHISE BROKERS** or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: _____

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EXHIBITS

A.	Red Boy Pizza Franchise Agreement (<u>Exhibit "A"</u>)
B.	Financial Statements (<u>Exhibit "B"</u>)
C.	Reservation Deposit Agreement (<u>Exhibit "C"</u>)
D.	Automatic Bank Draft Authorization For (<u>Exhibit "D"</u>)
E.	Guaranty and Assumption of Franchisee's Obligations (<u>Exhibit "E"</u>)
F.	List of State Franchise Administrators
G.	Sample of Required Computer System (<u>Exhibit "G"</u>)
H-1.	Active Franchised Outlets (<u>Exhibit "H-1"</u>)
H-2.	Company Owned Outlets (<u>Exhibit "H-2"</u>)
H-3.	Franchisees Who Have Left the System (<u>Exhibit "H-3"</u>)
I.	Receipts (<u>Exhibit "I"</u>)

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