

FRANCHISE DISCLOSURE DOCUMENT
SCHMIZZA INTERNATIONAL, INC., an Oregon Corporation
Ron Berger, Chairman/CEO
1500 Liberty Street SE, Suite 160, Salem, Oregon 97302
(503) 371-9318 / www.Schmizza.com



The franchise will offer a limited menu of pizza and other food and beverage products. We will grant you the right to use the Mark "Pizza Schmizza®". The total investment necessary to begin operation of an individual Schmizza franchised store is from approximately \$91,000 to \$380,950. This includes \$5,000 to \$45,700 that must be paid to the franchisor (or affiliate) as described in the following paragraph. (For franchises purchased with the Multiple Franchise Purchase Addendum to the Franchise Agreement, multiply the estimated initial investment range times the number of Stores purchased.)

The Initial Franchise Fee for an individual franchise ranges from \$5,000 to \$35,000 depending on whether you purchase a Standard, Express, Co-Branding, Retail Premises or additional franchise, as described in Item 5. (An Express franchise is a reduced size franchise purchased with the Express Addendum to the Franchise Agreement. A "Co-Branding franchise" is a Schmizza franchise operated in connection with another concept purchased with the Co-Branding Addendum to the Franchise Agreement. In addition, for your first franchise store you must pay a Grand Opening Advertising Fee of \$12,500.

We also offer franchises for you to act as a Schmizza Master Franchisee. A Master Franchisee acts as our representative to advertise for and market to prospective franchisees within a territory, and to support the franchised stores located in that territory. The initial investment ranges from \$253,500 to \$1,348,000 for a Master Franchisee. This includes the initial Master Franchise fee that must be paid to the franchisor (or affiliate), which ranges from \$100,000 to \$1,000,000. In addition, a Master Franchisee must pay the cost of opening at least one required Standard Schmizza franchise.

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 or grant. **Note, however, that no governmental 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 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, 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.

Effective Date: [See the following page]

This Franchise Disclosure Document is effective as of:

1. Federal Trade Commission (and All States not Requiring Registration):
February 28, 2014

2. States Requiring Registration Approval Date (not approved if blank):

California March 27, 2014

Florida

Hawaii

Illinois

Indiana

Kentucky March 27, 2002

Maryland

Michigan

Minnesota

Nebraska March 25, 2002

New York

North Dakota

Rhode Island

South Dakota

Texas March 25, 2002

Utah March 10, 2014

Virginia

Washington April 5, 2014

Wisconsin March 7, 2014

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 franchise administrator listed in Exhibit E 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 MASTER FRANCHISE AGREEMENT REQUIRE THAT FRANCHISEES MUST SUE IN OREGON. THE FRANCHISE AGREEMENT AND MASTER FRANCHISE AGREEMENT REQUIRE THAT ALL DISAGREEMENTS, EXCLUDING ANY CLAIM CONCERNING CONFIDENTIAL INFORMATION OR THE MARKS, BE SETTLED BY ARBITRATION IN MARION COUNTY, OREGON. THESE PROVISIONS MAY BE SUPERSEDED BY CERTAIN STATE LAWS. SEE STATE ADDENDA IN EXHIBIT J. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH COMPANY IN OREGON THAN IN YOUR HOME STATE

2. THE FRANCHISE AGREEMENT AND MASTER FRANCHISE AGREEMENT STATE THAT OREGON LAW GOVERNS THE AGREEMENTS AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS. THE STATE OF MICHIGAN AND CERTAIN OTHER STATES PROHIBIT CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. CERTAIN STATE LAWS MAY SUPERSEDE THE APPLICATION OF OREGON LAW TO THE FRANCHISE AGREEMENT AND MASTER FRANCHISE AGREEMENT. SEE STATE ADDENDA IN EXHIBIT J FOR A SUMMARY OF SOME OF THESE LAWS.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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