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**FRANCHISE DISCLOSURE DOCUMENT  
SKINNYPIZZA FRANCHISE SYSTEMS LLC**

a New York Limited Liability Company  
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2016 JUL 26 AM 10:39  
DEPARTMENT OF  
BUSINESS OVERSIGHT  
SAN FRANCISCO**PURE GOODNESS**  
PIZZA PASTA PASTA SALAD SOUP

The franchise offered is for fast-casual restaurant operating under the name "Skinny Pizza" offering pizza, pasta, soups, salads, piadas and beverages on a dine-in and carry-out basis using the franchisor's proprietary recipes, formulae, techniques, trade dress, trademarks and logos. This franchise will offer a health-conscious menu with preservative and additive free pizza dough, gluten-free meal options, pizza toppings that are free from antibiotics, hormones, and nitrates and beverages that contain no high-fructose corn syrup.

The total investment necessary to begin operation of a Skinny Pizza Restaurant is \$376,000 to \$701,000. This includes from \$35,000 to \$45,000 that must be paid to the franchisor.

If you enter into a Multi-Unit Operator Agreement, you must sign the Multi-Unit Operator Agreement and pay a development fee equal to 100% of the initial franchise fee for the first Restaurant to be developed, plus a deposit of 50% of the initial franchise fee for each additional Restaurant to be developed under the Multi-Unit Operator Agreement. You must commit to open a minimum of three Restaurants. The total estimated investment under a Multi-Unit Operator Agreement to develop three Skinny Pizza Franchises is \$408,000 to \$733,500. This includes \$60,000 that must be paid to the franchisor and/or its affiliate. The total investment under a Multi-Unit Operator Agreement will vary depending on the number of Restaurants to be developed.

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 the 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 government 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 Joseph Vetrano at 225 Liberty Street, Suite 251, New York, New York 10281 and (516) 686-6178.

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.

SKINNYPIZZA/ufdd-05d

**ITEM 4**  
**BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item

**ITEM 5**  
**INITIAL FEES**

**In the state of California, all initial fees and costs, including fees or costs related to any services rendered, any equipment and/or inventory delivered or any other costs related to the franchise, are deferred until the franchisor's pre-opening obligations to the franchisee are complete and the franchisee is open for business**

**Based upon our financial condition, the Maryland Securities Commissioner requires that all initial fees and payment shall be deferred until such time as the franchisor completes its initial obligations under the franchise agreement.**

**The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement**

**Franchise Agreement** You must pay an initial franchise fee of \$30,000 for the right to establish a single SKINNYPIZZA Restaurant under a Franchise Agreement. You must pay the initial franchise fee in full when you sign the Franchise Agreement. If you are purchasing your second (or later) franchise, we will reduce the initial franchise fee to two-thirds of our then-current initial franchise fee. This fee is used in part for working capital and in part for profit. The initial franchise fee is imposed uniformly on all franchisees. If you are unable to find a suitable location for your Restaurant within 90 days of signing the Franchise Agreement, we have the right to terminate the Franchise Agreement and refund up to 50% of the initial franchise fee to you. You must sign any documents we require, including a confidentiality agreement and general release, before any money will be refunded to you. The initial franchise fee is not refundable under any other circumstances.

**Grand Opening Marketing** You must conduct a marketing campaign announcing the grand opening of your Restaurant, and you must spend between \$5,000 and \$10,000 for this campaign. Your grand opening marketing campaign must be conducted in the initial 90 days of operation. We may designate a different time period for you to conduct the grand opening marketing. Your grand opening marketing campaign must include give-aways of food samples and other promotions, as we require, and we must approve of your grand opening marketing campaign before it is conducted. We reserve the right to require you to give us \$10,000 for your grand opening advertising campaign and we will conduct the campaign on your behalf. If we request that you give the grand opening money to us, it is not refundable.

There are no other purchases from or payments to us or any affiliate of ours that you must make before your Restaurant opens.

**Multi-Unit Operator Agreement** If you qualify to develop and operate multiple SKINNYPIZZA Restaurants, then you will pay to us a development fee equal to 100% of the initial franchise fee (\$30,000) for the first Restaurant to be developed, plus 50% of the initial franchise fee for each additional Restaurant you commit to develop under the Multi-Unit Operator Agreement. You must commit to open a minimum of three Restaurants. For example, if you commit to develop three

the Protected Area for you to meet your Minimum Performance Schedule. The responsibility to locate and prepare a sufficient number of suitable sites is solely yours and we have no obligation to approve sites which do not meet our criteria for you to meet the Minimum Performance Schedule.

Except as described below, during the term of the Multi-Unit Operator Agreement, we and our affiliates will not operate or grant a franchise for the operation of Restaurants to be located within the Protected Area. However, we have the right to terminate this exclusivity if you are not in full compliance with all of the terms and conditions of the Multi-Unit Operator Agreement and all of the Franchise Agreements signed under it. Your territorial rights to the Protected Area may or may not, in our discretion, include the right to develop Restaurants at any Non-Traditional Site. If your Restaurant is located at a non-traditional site, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Except as expressly limited by the Multi-Unit Operator Agreement, we and our affiliates retain all rights with respect to Restaurants, the Marks, and any products and services anywhere in the world including the right (a) to produce, offer and sell and to grant others the right to produce, offer and sell the Proprietary Products, other products offered at Restaurants and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, as described above, both within and outside your Protected Area, and under any terms and conditions we deem appropriate, (b) to operate and to grant others the right to operate Restaurants located outside the Protected Area under any terms and conditions we deem appropriate and regardless of proximity to your Restaurants, (c) to operate and to grant others the right to operate Restaurants at Non-Traditional Sites within and outside the Protected Area under any terms and conditions we deem appropriate. If a Non-Traditional Site becomes available within the Protected Area during the term of the Multi-Unit Operator Agreement, we may, in our sole discretion, offer you the opportunity to develop a Restaurant at the Non-Traditional Site. You will have 30 days after we notify you that the site is available to accept this right of first refusal, and (d) the right to acquire and operate a business operating one or more restaurants or food service businesses located or operating in your Protected Area.

After the final Restaurant under your Minimum Performance Schedule has opened, if we believe that it is desirable to establish additional Restaurants within the Protected Area, and if you complied with the terms of your Multi-Unit Operator Agreement and are in compliance with your Franchise Agreements, we will offer you the right to develop these additional Restaurants. You must exercise this option, in full, within 60 days after our notice to you. If you do not exercise or you decline this right of first refusal, we shall have the right to sell these development rights to another multi-unit operator or to develop the Restaurants ourselves.

To maintain your rights under the Multi-Unit Operator Agreement you must have open and in operation the cumulative number of Restaurants stated on the Minimum Performance Schedule by the dates agreed upon in the Minimum Performance Schedule. Failure to do so will be grounds for either a loss of territorial exclusivity or a termination of the Multi-Unit Operator Agreement.

In addition, upon the earlier of the expiration of the term of the Multi-Unit Operator Agreement, which is when the last Restaurant to be developed within the Protected Area opens for business, your development rights under the Multi-Unit Operator Agreement with respect to the Protected Area will terminate and we and our affiliates will have the right to operate and to grant to others development rights and franchises to develop and operate Restaurants within the Protected Area. This right will be subject only to the territorial rights under your franchise agreements for Restaurants in the Protected Area and the right of first refusal described above. The Protected Area may not be altered unless we and you mutually agree to do so. It will not be affected by your sales volume. You are not granted any other option, right

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