

FRANCHISE DISCLOSURE DOCUMENT



TABOONETTE FRANCHISE CORP.
a New York Corporation
773 10th Avenue
New York, NY 10019
Tel. (646) 734-9734
Website: www.taboononline.com
Email: danny@taboononline.com

The franchise offered is for a quick-service sandwich shop, to be operated in a clean comfortable space that captures the warmth of a rustic kitchen, with a menu that merges Middle Eastern and Mediterranean cuisine, emphasizing fresh flavors and ingredients, using our proprietary recipes, formulae, techniques, trade dress, trademarks and logos.

The total investment necessary to begin operation of a Taboonette franchised business ranges from \$350,500 to \$637,400, which includes a franchise fee of \$30,000 that must be paid to the franchisor and/or its affiliate when you sign the Franchise Agreement.

If you are already a franchisee, and you are entering into a franchise for an additional location, the franchise fee will be \$24,000. If you enter into a Multi-Unit Addendum to develop multiple Restaurants, when you sign the Multi-Unit Addendum, you will pay the full franchise fee of \$30,000 for the first Restaurant and a reservation fee of \$12,000 for each additional Restaurant to be developed under the Multi-Unit Addendum. The reservation fee is applied toward the franchise fee payable for each Restaurant developed after the first one, and the balance of the franchise fee of \$12,000 is due and payable when you sign the second and each additional Franchise Agreement for a reserved Restaurant developed under the Multi-Unit Addendum. For each of these additional Restaurants which you develop, you can expect to have an initial investment of \$350,500 to \$637,400. The total investment for the right to open a total of three Restaurants ranges from \$54,000 to \$59,000, which includes \$54,000 for franchisee fees and reservation fees which must be paid when you sign the Multi-Unit Addendum.

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 us at Danny Hodak, 773 10th Avenue, New York, NY 10019, tel. (646) 734-9734, email: danny@taboononline.com.

The terms of our 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, 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 franchise administrator listed in Exhibit H 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND/OR ARBITRATION ONLY IN NEW YORK. OUT-OF-STATE MEDIATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE OR ARBITRATE WITH US IN NEW YORK THAN IN YOUR OWN STATE. LOCAL LAW MAY SUPERSEDE THIS REQUIREMENT IN YOUR STATE.
2. THE FRANCHISE AGREEMENT STATES THAT NEW YORK LAW GOVERNS THE AGREEMENT. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS. YOUR STATE LAW MAY SUPERSEDE THIS PROVISION AND IT MAY NOT BE ENFORCEABLE IN YOUR STATE. SEE SPECIAL STATE DISCLOSURES IN THE STATE ADDENDA TO THE FRANCHISE AGREEMENT AND THIS DISCLOSURE DOCUMENT.
3. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.
4. THE FRANCHISEE OR MULTI-UNIT DEVELOPER WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$350,500 TO \$2,502,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF AUGUST 7, 2017, WHICH IS \$15,000.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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