

NOV 26 2018

FRANCHISE DISCLOSURE DOCUMENT

THE PIE HOLE

Department of Business Oversight
BPRD Trading LLC

A California limited liability company
714 Traction Avenue
Los Angeles, California 90013
(213) 537-0115
franchise@thepieholela.com
www.thepieholela.com

The franchise offer is for the establishment and operation of a rustic-style pie and coffee shop featuring sweet and savory pies, coffee and tea blends, assorted breakfast pastries, salads, ice cream and other authorized menu items under THE PIE HOLE mark. We also offer qualified parties the right to own and operate multiple Franchised Businesses within a development area.

The total initial investment necessary to begin operation of a Shop ranges from \$331,500 to \$1,039,500, which includes \$52,500 to \$73,000 you must pay to franchisor or its affiliates.

The total investment necessary to operate multiple Shops under our form of area development agreement depends on the number of franchises we grant you the right to open. The total investment necessary to open and operate three THE PIE HOLE franchises is \$401,500 to \$1,109,500, which includes (a) a development fee of \$105,000 that is paid to us upon execution of your development agreement, and (b) the total investment to begin operation of your initial Shop.

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 Sean Brennan at 714 Traction Avenue, Los Angeles, California or at telephone number (213) 537-0115.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire 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-FTCHELP 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.

Issuance Date: October 15, 2018.

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 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. AT OUR OPTION, THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE ALL DISPUTES WITH US, AT OUR OPTION, BY MEDIATION ONLY IN LOS ANGELES, CALIFORNIA. EXCEPT FOR DISPUTES WHERE FRANCHISOR IS SEEKING INJUNCTIVE RELIEF, ANY DISPUTES WITH US NOT SUBJECT TO MEDIATION MUST BE RESOLVED BY LITIGATION ONLY IN LOS ANGELES, CALIFORNIA. OUT OF STATE MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE/LITIGATE WITH US IN THE STATE OF CALIFORNIA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT THEY ARE GOVERNED BY CALIFORNIA LAW, EXCEPT THAT ANY AND ALL DISPUTES AND/OR ACTIONS RELATED TO ANY OF THE COVENANTS AGAINST COMPETITION SET FORTH IN THESE AGREEMENTS WILL BE GOVERNED BY THE LAW WHERE YOUR FRANCHISED BUSINESS IS LOCATED. THE APPLICATION OF CALIFORNIA LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS THE LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. IF THE FRANCHISEE IS AN INDIVIDUAL, WE REQUIRE THAT THE FRANCHISEE'S SPOUSE EXECUTE A PERSONAL GUARANTY (UNLESS YOUR SPOUSE AGREES TO SIGN THE FRANCHISE/DEVELOPMENT AGREEMENT DIRECTLY). IF THE FRANCHISEE IS A BUSINESS ENTITY, EACH PRINCIPAL/OWNER OF THE FRANCHISEE ENTITY AND THE RESPECTIVE SPOUSES OF EACH PRINCIPAL/OWNER MUST EXECUTE A PERSONAL GUARANTY. THIS PLACES THE PERSONAL ASSETS OF THESE INDIVIDUALS AND THEIR SPOUSES AT RISK.
4. THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT LIMIT FRANCHISEE'S RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA INCLUDING, BUT NOT LIMITED TO, A WAIVER OF JURY TRIAL AND WAIVER OF PUNITIVE DAMAGES.
5. 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 is our agent and 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.

STATE EFFECTIVE PAGE

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Florida, Hawaii, Kentucky, Indiana, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws if an effective date is noted below for the state:

State	Effective Date
California	Pending Registration
Florida (exemption)	Not Registered
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Kentucky	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
Nebraska	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Texas	Effective
Utah (exemption)	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered

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