

FRANCHISE DISCLOSURE DOCUMENT



TIFA FOODS INTERNATIONAL, INC.

A California Corporation
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sales@tifainc.com

We offer you a franchise to own and operate one “TIFA Chocolate & Gelato” café, offering a blend of hand-crafted, classic and traditional gelato flavors with the freshest ingredients, achieving authentic flavors with an American twist and an assortment of artisan chocolate bars from around the world. We make our own unique truffles, bonbons, and caramel and nut clusters, using quality ingredients and we also serve fresh pastries, espresso and cold brew coffees.

The total investment necessary to begin operation of one (1) location is from Three Hundred Eight Thousand Two Hundred Dollars (\$308,200.00) to Four Hundred Ninety-Nine Thousand Four Hundred Dollars (\$499,400.00). This includes the initial franchise fee of Thirty-Seven Thousand Five Hundred Dollars (\$37,500.00) that must be paid to us (see Item 7).

The total investment to begin operation as an Area Developer for the minimum of two (2) locations required to be developed is from Three Hundred Twenty-Eight Thousand Two Hundred Dollars (\$328,200.00) to Five Hundred Nineteen Thousand Four Hundred Dollars (\$519,400.00). The development fee to be paid to us for the two (2) dessert cafés is Fifty-Seven Thousand Five Hundred Dollars (\$57,500.00). A third location cost an additional Seventeen Thousand Five Hundred Dollars (\$17,500.00). Each additional location is an additional Fifteen Thousand Dollars (\$15,000.00). The maximum number of franchised locations permitted under the Area Development Agreement is negotiated and dependent upon the territory requested and other factors (see Items 5 and 7).

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least fourteen (14) calendar days before you sign a binding agreement with, or make any payments 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 availability of disclosures in different formats, contact our Chief Executive Officer, Mike Ashamalla, 30760 Russell Ranch Road, Unit A, Westlake Village, California 91362, 310.902.7626.

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 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 (“FTC”). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information.

There may also be laws on franchising in your state. Ask your state agencies about them.

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS: April 14, 2018

STATE COVER PAGE

Your state may have a franchise law that requires us 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 administrator listed in Exhibit “F” 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 FIRST BY NON-BINDING MEDIATION IN WESTLAKE VILLAGE, CALIFORNIA, AND IF THE DISPUTE REMAINS UNRESOLVED AFTER MEDIATION, THEN BY ARBITRATION ONLY IN WESTLAKE VILLAGE, CALIFORNIA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE AND ARBITRATE WITH US IN WESTLAKE VILLAGE, CALIFORNIA, THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. THE FRANCHISEE’S SPOUSE, AND THE SPOUSES OF THE FRANCHISE SHAREHOLDERS, PARTNERS, MEMBERS, AS THE CASE MAY BE, ARE REQUIRED TO SIGN A SPOUSAL CONSENT WHEREBY EACH SPOUSE UNCONDITIONALLY GUARANTEES EACH AND EVERY OBLIGATION OF THE FRANCHISE AGREEMENT AND AGREES TO BE JOINTLY AND SEVERALLY LIABLE FOR ALL DEBTS OF THE FRANCHISE. THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF THE FRANCHISE OWNERS AND SPOUSES AT RISK.

4. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE COULD BE A HIGHER RISK INVESTMENT THAN A FRANCHISE SYSTEM WITH A LONGER OPERATING HISTORY.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may 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: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, 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, with the following effective dates:

State	Effective Date
California	Pending
Hawaii	
Florida	
Illinois	
Indiana	
Kentucky	
Maryland	
Michigan	
Minnesota	
New York	
Nebraska	
North Dakota	
Rhode Island	
South Dakota	
Texas	
Utah	
Virginia	
Washington	
Wisconsin	

In all other states, the effective date of this Franchise Disclosure Document is April 14, 2018.

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