

# Franchise Disclosure Document (FDD) Sample

This Franchise Disclosure Document (FDD) provides detailed information about the franchise opportunity, as required by law. Please review this document carefully before signing any agreement.

## 1. Franchisor and Affiliates

**Franchisor Name:** Sample Franchise LLC  
**Principal Address:** 123 Franchise Ave, City, State, ZIP  
**Contact:** (123) 456-7890

## 2. Business Experience

- Jane Doe, CEO – 10 years in food service franchising
- John Smith, COO – 8 years in retail franchise operations

## 3. Litigation

The franchisor has not been involved in any material litigation that must be disclosed under applicable law.

## 4. Bankruptcy

Neither the franchisor nor its executives have declared bankruptcy in the past ten years.

## 5. Initial Fees

Type	Amount	When Due
Franchise Fee	\$25,000	Upon signing
Training Fee	\$2,000	Before training

## 6. Other Fees

Type	Amount	Due
Royalty Fee	6% of gross sales	Monthly
Marketing Fund	2% of gross sales	Monthly

## 7. Estimated Initial Investment

Expense	Low	High
Franchise Fee	\$25,000	\$25,000
Equipment	\$40,000	\$60,000

Leasehold Improvements	\$50,000	\$80,000
Initial Inventory	\$8,000	\$12,000
Grand Opening	\$3,000	\$5,000

**Total Estimated Initial Investment:** \$126,000 â€“ \$182,000

## 8. Restrictions on Sources of Products and Services

Franchisees must purchase ingredients and supplies only from approved vendors to ensure consistent quality.

## 9. Franchisee's Obligations

1. Comply with system standards
2. Participate in initial and ongoing training
3. Maintain insurance as required
4. Pay all fees promptly

## 10. Renewal, Termination, Transfer, and Dispute Resolution

- **Term:** 10 years, renewable for an additional 10 years
- **Termination:** Upon breach of agreement or non-payment of fees
- **Transfer:** Requires franchisor's written consent
- **Disputes:** Settled via binding arbitration

## 11. Financial Performance Representations

The franchisor does not make any financial performance representations. Prospective franchisees should conduct their own independent investigation.

## 12. List of Outlets

Information on existing and former franchisees is available upon request.

## 13. Receipt

By signing below, you acknowledge receipt of this Franchise Disclosure Document.

\_\_\_\_\_ Date: \_\_\_\_\_  
(Print Name & Signature)