

FRANCHISE DISCLOSURE DOCUMENT
CULINARY MANAGEMENT SERVICES, INC.

d/b/a

6867 Boudin Street NE, Suite 2
Prior Lake, MN 55372
(651) 303-4834
www.falbobrospizza.com



The franchise offered is for the operation of a Falbo Bros Pizzeria Franchise. The Franchisor is Culinary Management Services, Inc. (“Falbo Bros”, “we”, or “Falbos”). We develop, operate, and franchise pizzerias-- offering distinct styles of pizza, submarine sandwiches, oven baked submarine sandwiches, appetizers, and salads under the name Falbo Bros Pizzeria. The total investment necessary to begin operation of a Falbo Bros Pizzeria franchise ranges from (\$40,000 to \$250,000), which includes a range of (\$10,000 to \$15,000) per location to be paid to the franchisor or affiliate but does not include rent for the Franchised Location. This is an estimate. It cannot be guaranteed that you will not have additional expenses starting your business.

RISK FACTORS

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 fourteen (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 disclosure in different formats, contact William Bernard at 6867 Boudin Street NE, Suite 2, Prior Lake, MN (651) 303-4834.

The terms of your contract will govern your franchise relationship. Do not rely on this disclosure document alone to understand your contract. Read your Franchise Agreement carefully. We suggest that you review these documents with an attorney experienced in these matters. 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.

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 of this Franchise Disclosure Document for information about the franchisor, about other franchisors, or about franchising in your state. MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERMS EXPIRE. 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:

THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN MINNESOTA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN MINNESOTA THAN IN YOUR HOME STATE.

ANY DISPUTE NOT SUBJECT TO ARBITRATION MUST BE RESOLVED BY LITIGATION IN MINNESOTA. IT MAY COST YOU MORE TO LITIGATE WITH US IN MINNESOTA THAN IN YOU OWN STATE. THE FRANCHISE AGREEMENT STATES THAT MINNESOTA LAW GOVERNS THE AGREEMENT AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS THE LOCAL LAW IN YOUR DOMOCILE. YOU MAY WANT TO COMPARE THESE LAWS.

WE HAVE A FEDERAL REGISTRATION FOR OUR PRIMARY TRADEMARK (SEE ITEM 13).

THE FRANCHISEES AND THEIR SPOUSES MUST SIGN A GUARANTY AND ASSUMPTION OF OBLIGATIONS MAKING THE FRANCHISEES AND THEIR SPOUSES JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISEES AND THEIR SPOUSES AT RISK.

WE MAY TERMINATE YOUR FRANCHISE AGREEMENT IF YOU DO NOT OPEN YOUR RESTURANT WITHIN 12 MONTHS AFTER YOU SIGN THE FRANCHISE AGREEMENT. THE FRANCHISEE FEE IS NONREFUNDABLE.

IT MAY TAKE 8 TO 18 MONTHS TO FIND AN ACCEPTABLE SITE AND/OR OBTAIN AN ACCEPTABLE LEASE.

THE FRANCHISOR HAS LIMITED CAPITAL RESOURCES. THIS COULD
RESULT IN THE FRANCHISOR BEING UNABLE TO MEET CURRENT OBLIGATIONS.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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EXHIBITS

Exhibit 1	List of State Agencies & Agents for Service of Process
Exhibit 2	List of Current Franchisees
Exhibit 3	List of Former Franchisees
Exhibit 4	Franchise Agreement (with attachments)
Exhibit 5	Nondisclosure and Noncompetition Agreement
Exhibit 6	Owner's Guaranty
Exhibit 7	Falbo Bros Pizzeria Franchise Application
Exhibit 8	Receipt

ITEM 1

THE FRANCHISOR, ANY PARENTS, PREDECESSOR AND AFFILIATES

The Franchisor

The Franchisor is **Culinary Management Services, Inc.**, a Minnesota corporation doing business as **FALBO BROS PIZZERIA**. For ease of reference, **Culinary Management Services, Inc.** will be referred to as "we", "us", "our", "Franchisor", **FALBO BROS**, or **FALBO BROS PIZZERIA®** in this Disclosure Document and Franchise Agreement. This Disclosure Document will refer to the person or entity that buys the franchise as "you," "Franchisee" and "your" throughout the Disclosure Document and Franchise Agreement. This means the person, corporation, Limited Liability Company, partnership or other legal entity that is granted the franchise (as well as the direct and indirect owners of any corporation, limited liability Company, partnership, or other legal entity that becomes a franchisee). Additionally, any reference to "System" means the franchise system of **Culinary Management Services, Inc.**

Our Predecessor and Affiliates

Our principal businesses address is 6867 Boudin Street NE, Suite 2, Prior Lake, MN 55372. As filed with the Minnesota Secretary of State, our Registered Office is 5365 Shore Trail, Prior Lake, MN 55372. We oversee and sell Falbo Bros Pizzeria franchises. On December 30, 2016, Culinary Management Services, Inc. purchased all the valuable assets of Falbo Bros. Pizzeria, Inc. and Falbo Bros. Franchising, LLC. Culinary Management Services, Inc. was incorporated on October 25, 2012 by the Minnesota Secretary of State. Falbo Bros. Pizzeria, Inc. owned one Falbo Bros franchise that was sold to a private party in June 2008. Falbo Bros Franchising, LLC was in business since 2010. Falbo Bros. Pizzeria, Inc. was in business for approximately 20 years. Culinary Management Services has no other franchising activities. Culinary Management Services owns several food brands and provides various services for other food industry companies.

Our agents for service of process are disclosed in Exhibit 2.

Potential customers include individuals, businesses, federal, state, and local government agencies, schools and churches.

We offer a Franchise Agreement for the operation of single pizzerias, and we currently do not offer franchises in any other line of business.

The Business is characterized by a distinctive logo. We have a distinctive process and style in producing our food products. Our ingredients are unique, and our recipes are proprietary. All these procedures and methods of operation make up the business (the "System") and may be changed, improved, or modified by **FALBO BROS PIZZERIA®** at any time.

The Franchise System is identified by means of a registered trademark but is not limited to the trademark **FALBO BROS PIZZERIA®**. Our trademark (the "Mark") is registered with the U.S. Patent and Trademark office (USPTO). Our trademark number is 3,714,571.

You must operate the Business in accordance with the standards and systems we designate and in accordance with the Franchise Agreement. We may also require that you conduct training courses in our procedures and methods of operation to enable your employees to properly display the Falbo Bros Pizzeria® image.

Market and Competition

You will be competing in your market with locally owned businesses as well as national and regional chains that offer similar products. The market for pizza and sandwiches and pizza and sandwich delivery is well-established and highly competitive. Competitors may be other businesses, some of which are franchised, which sell similar products or services, or even someone doing business out of his home. Competition competes on such factors as price, service, location, and quality. Additionally, you may find that there is competition for suitable locations. Principal factors that will vary but that will impact our brand's competitive position include name recognition, product quality, variety, location, and advertising. A business like **FALBO BROS PIZZERIA®** may also be affected by other factors, such as changes in consumer taste, economic conditions, population, and travel patterns. The national, regional and local markets may be affected by seasonal conditions such as weather, tourism, school years, road construction, and other local factors.

Laws and Government Regulation

Please be advised that the conduct of any business, franchise or otherwise, subjects you to laws, and local regulations. You must investigate the existence of any laws that may apply to your business. You should consider what operations may be regulated by federal, state, and local laws, in addition to the laws, regulations, rules, and ordinances applicable to businesses generally. You are subject to all laws and local regulations. You are responsible for investigating the existence of any laws that may apply to your business.

Internal Revenue Service

We have no current or past negative actions concerning the IRS. All obligations are current.

Predecessors

Other than the assets purchased by Culinary Management Services, Inc. of Falbo Bros Franchising, LLC and Falbo Bros Pizzeria, Inc., as stated above, Culinary Management Services, Inc. has no predecessors.

ITEM 2

BUSINESS EXPERIENCE

President and CEO: **Stuart P. Bell is the President and CEO of Falbo Bros. Mr. Bell has been in the food business in various forms since 1982. He is the former owner of Trudeau Distributing Company, a food distributor that employed over 150 people, which sold in 2007. Mr. Bell is currently the President of Stone Gate Foods, a food manufacturer located in Shakopee, Minnesota, formed 09/24/2010.**

Vice President:

Secretary:

Treasurer:

**Franchise
Sales
Manager:**

ITEM 3
LITIGATION

Pending Matters

There are no pending matters that are required to be disclosed.

Concluded Matters

As of this effective date, there is no litigation pending regarding **FALBO BROS** or its principal officers, directors or shareholders with respect to the business assets available for franchising.

Item 4
BANKRUPTCY

No person(s) previously identified in Items 1 or 2 of this Disclosure Document have been involved as a debtor in proceedings under the U.S. Bankruptcy code as required to be disclosed in this item.

Item 5
INITIAL FEES

Initial Franchise Fee

You are required to pay a one-time non-refundable initial franchise fee when you sign the Franchise Agreement in the amount of \$10,000 to \$15,000 for a **FALBO BROS PIZZERIA®** Franchise. Each franchise is operated according to a separate Franchise Agreement, and this fee must be paid to us in a lump sum upon the signing of each Franchise Agreement. The franchise fee is calculated in the same way for all franchises, except for those that may be granted for no, or for a reduced initial franchise fee, or to certain individuals affiliated with **FALBO BROS PIZZERIA®**. The franchise fee is based on the specific territory size (land mass included within the territory) and the population density within the specific territory. It is also based on expenses estimated to be incurred by the Franchisor. There is a three day right of rescission period allowed to you in which you may terminate the Agreement with a refund, less expenses incurred by us. For this initial franchise fee, you receive an exclusive franchised territory. The franchise area depends on the size and number of people in your area; however, the Franchisor reserves the right to delineate any area it so chooses as a franchised territory. The specific territory name and its geographic location/boundaries will be communicated to you in writing; as well as in your Franchise Agreement for your review prior to signature.

Lease Review

After you select a location for your Restaurant, we must approve that location. If approved, our authorized representative will review and likely will negotiate certain lease provisions. We do not act as your legal counsel or representative in conducting those negotiations, although our interests, as Franchisor, are usually aligned with yours as the Franchisee and tenant. We encourage you to consult your own attorney if you need legal assistance in negotiating a lease with which you are satisfied.

Restaurant Equipment

All restaurant equipment must be approved by Falbo Bros.

Item 6

OTHER RECURRING OR OCCASIONAL FEES

Initial fee includes all fees and payments for services or goods received from the franchisor before the franchisee's business opens. As of date of this Disclosure Document, the initial fee is not uniform and will be determined based on costs incurred by the franchisor including but not limited to legal, travel, and consulting expenses.

<u>Name of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Advertising	0% of Gross proceeds after sales tax has been taken out or a minimum \$0 per month	Due on the 30 th day of each month, and it shall be remitted to us within 10 days of due date	This is not a set fee, but is dependent on your earnings. It is a service fee paid to us
Recurring Royalty Payments	5% of Gross proceeds after sales tax has been taken out	Due on the 10 th day of each month for the preceding month; and it shall be remitted to us within 5 days of due date	Continuing Royalty fees paid to us. Gross sale includes all revenue from the franchise location. The Fee is not a set fee but is dependent on your earnings
Advertising Co-Op	Maximum 0% of gross sales	Established by franchisees	Voluntary-Franchisees may form an advertising cooperative and establish local advertising fees

<u>Name of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Advertising Assessments (see below)			
Operating Assistance-requested by you or required by us	\$100 per day plus expenses	At time, additional assistance is delivered	All operating assistance expense such travel to franchisee to be paid by franchisee to franchisor
Audit Expenses – due to understate of gross sales of at least 2.5% for the month	\$50 per hour, plus any applicable travel expenses	Upon completion of audit	Payable only if audit shows an understatement of at least 2.5% of gross sales for any month
Franchise Transfer Fee	\$3,000 per unit (plus attorney fees for drafting)	At the time transferee executes the Franchise Agreement in effect for the transfer or sale of existing unit subject to Franchisor’s right of first refusal	Payable by the Franchisee to us as incurred by us in obtaining injunctive relief for the enforcement of any item under this Franchise Agreement
Attorney’s Fees	Will vary under circumstances	As incurred	Payable by the Franchisee to us as incurred by us in obtaining injunctive relief (or as otherwise needed) for the enforcement of any item under the Franchise Agreement
Indemnification	Will vary under circumstances	As incurred	You have to reimburse us if we are held liable for any claims arising from your franchise business
Noncompetition Violation	A fee equal to our then-current Initial Franchise Fee for each competitive business and 3% of its gross sales	Upon a violation of the Noncompetition covenants	This is overly simple due to complexity of legal matter, review with advisor/lawyer
Training Fees	Varies based on number of trainees and duration of training	At time of purchase of renewal of franchise, or if in addition to regular	Training provided as outlined under Franchise Agreement Additional training available at

<u>Name of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
		training, at time of request by franchisee	franchisee's request, at franchisee's expense
Franchise Renewal Extension Fee for 2nd and subsequent 3rd renewal terms of your Franchise Agreement	Will Vary	30 days before renewal	Payable to us after the initial franchise term of 5 years.
Advertising Assessments	As determined by Franchisor	Before the 10th day of each month	Franchisor has sole and absolute discretion

Item 7:

ESTIMATED INITIAL INVESTMENT

Investment	Amount	Method of Payment	When Payable	Whether Refundable	When Payable
Initial Franchise Fee (1)	\$10,000 to \$15,000	Lump Sum	Upon signing Franchising Agreement	No	Us
Real Estate and Improvements including Insurance (2)	\$5,000 to \$160,000	As Incurred	As Agreed	No	Outside Suppliers
Retail Inventory & Equipment (3)	\$25,000 to \$50,000	As Incurred	As Agreed to your suppliers as equipment/supplies when purchased	Unknown	Approved Outside Suppliers of your choosing, as needed
Signage (3)	\$2,000 to \$10,000	Lump Sum	Unknown	Unknown	Outside Suppliers
Additional Funds for Four Months (4)	\$2,000 to \$10,000	Held reserve by Franchisee	As Agreed	No	In reserve to pay unknown costs
Grand Opening/ Advertising (5)	\$1,000 to \$5,000	As Incurred	As Agreed	No	Outside Suppliers
Total Estimated	\$40,00 to \$160,000	As Incurred	As Agreed with each Supplier	No	Us, Outside Suppliers

*All fees imposed by us are payable to us. All fees paid to us are non-refundable and deemed earned when payment is made, with no exceptions.

*Interest accrues from the date of underpayment.

*No provision is made in the initial investment for franchisees' personal living expenses.

We do not guarantee that you will not incur greater startup expenses than these estimates.
We do not imply or warrant that you will reach profitability by any particular time.

Explanatory Notes:

(1) Franchise Fee. The fee for a franchise is \$10,000 to \$15,000 for a 5-year period and varies for succeeding 5 year renewals.

(2) Real Estate and Improvements: There is no requirement to purchase real estate in connection with your franchise business. For all franchises a suitable site is normally rented. Its size should be a minimum 600 sq. ft. The location may need remodeling both inside and outside. These costs will vary, and State or Federal fees could cause extra costs in developing a new franchise location. All franchise locations are required to carry liability insurance. Rent is estimated to be in the range of \$800 to \$4,000 per month depending on factors such as size, and location.

(3) Retail Equipment, Inventory, and Signage. This line item is for the furniture, fixtures and equipment including exterior and interior signs, equipment, supplies, Point of Sale systems, decor, phone system, copier, desks, chairs, storage cabinet, file cabinet, and basic office supplies. This line item also includes any stock inventory. The portion of the package for the signage is approximately 2% of the total cost. If the property was previously used for a similar operation, the costs could be much lower.

(4) Additional Funds. This estimates your initial start-up expenses. These expenses do include payroll costs. These are estimates only and it cannot be guaranteed that you will not have additional expenses starting the business. Pre-opening expenses including lodging, meals and travel expenses for at least two persons attending the training program, initial employee wages, utility security deposits, insurance premiums, licenses, permit costs, uniforms, as well as additional operating capital for other variable costs such as electricity, telephone, etc. Additional funds are an estimate of the money you will need on hand during the initial phase of your franchise operations. Also, additional expenses of starting your business such as costs for licenses, permits, legal or accounting expenses, other office expenses, and other additional costs for advertising and promoting your business could apply. We estimate that the initial phase will last one to three months and that you will need between \$2,000.00 to \$20,000.00 to cover expenses during this phase. Your costs will depend on factors such as: how closely you follow our methods and procedures, your management skills, experience, dedication, and business acumen. Other factors may include local economic conditions, the local market for your goods and services, competition, and the sales level reached during the initial period.

(5) Grand Opening Advertising: You are not required to conduct a grand opening advertising and promotional campaign for your franchise business.

(6) Total Estimated Initial Investment: You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not offer financing directly

or indirectly for any part of the initial investment. These figures are estimates only and we cannot guarantee that you will not incur additional expenses starting your franchised business.

(7) For all training you must pay for your own travel, lodging, and your own meal expenses to our home office. If you request us to come to you, you must pay the then current per diem charges for the trainers and reimburse us for their actual travel, lodging, and meal expenses. The cost for the actual training itself if performed at the home office of Franchisor is included in your initial franchise fee.

(8) The term "Gross Sales" means all revenue accrued from the sale of all products and performance of services through the Franchised Business, whether for cash or credit and regardless of collection in the case of credit, and income of any kind related to the Franchised Business, however Gross Sales does not include revenues from any sales taxes or other add on taxes.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

FALBO BROS has spent considerable time and resources developing and refining the **FALBO BROS PIZZERIA®** System; and due to the uniqueness and success of the System, we have established certain standards and specifications to which you, the Franchisee, are required to adhere. Your success, in large part, is dependent upon the quality and pricing of your franchises services and products. With this in mind you *must* purchase from an approved vendor all advertising materials, inventory, and other items used in the operation of your franchise business. You may not sell goods or services to other franchises. We have the right to specify, or otherwise approve, all services and items that are sold, which pertain to the franchised business.

A list of approved products and suppliers from whom other products may be purchased are published in policy and procedures statements or provided to you by other communications. If you desire to purchase any signs that are not approved by us, you must first submit a written request to us for approval. We will advise you within a reasonable time whether such signage is approved.

You will be required to sign a Non-Disclosure, Confidentiality, and Non-Competition Agreement as part of the Franchise Agreement.

It is estimated that required purchases are 5% to 10% of the cost to establish a franchise and between 25% to 38% of total operating costs for goods and services thereafter. In addition, you are required to adhere to the standards and specifications established intermittently by us with respect to service procedures, quality of service, advertising materials, supplies, equipment, fixtures, furnishings and other items used in the operation of your franchise business.

We have adopted general industry standards for the operation and appearance of our locations. Other than those items you are required to purchase from us, you may purchase from any approved supplier. There are no purchasing or distribution cooperatives that are part of this agreement as of this date.

If you will occupy premises of a **FALBO BROS PIZZERIA®** franchise under a lease the lessor must provide to us written notice of any default by you under the lease; and we must have after such default the right to cure the default at our sole option and to enter upon the leased premises and assume your rights under the lease.

All marketing and promotional material released by you in any manner must conform to our requirements. You must submit to us via e-mail, for our prior approval, all advertising, promotional plans, and materials that you desire to use which have not been previously been approved by us. You may not use any marketing or promotional materials that we have disapproved.

You are required to furnish us with a copy of all insurance policies required by the Franchise Agreement, or such other evidence of insurance coverage and payment of insurance premiums as we request you must maintain in force at your expense all insurance.

Item 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement and other agreements if applicable. It will help you find more detailed information about your obligations in these agreements and in other items of this Franchise Disclosure Document.

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	ITEM(S) IN DISCLOSURE DOCUMENT
A. Site selection and acquisition/lease	Article 3	Items 7 & 11
B. Pre-opening expenses and purchases	Article 4	Items 7 & 11
C. Site development and other pre-opening requirements	Article 4	Items 7 & 11
D. Initial and ongoing training	Articles 4 & 6	Item 11
E. Opening	Articles 4 & 6	Items 7 & 11
F. Fee	Article 7	Items 5, 6 & 7

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	ITEM(S) IN DISCLOSURE DOCUMENT
G. Compliance with standards and policies/Operations Manual	Article 5	Items 8
H. Trademarks and proprietary information	Article 5	Items 13 & 14
I. Restrictions on products and services offered	Article 5, Exhibit B	Items 11 & 16
J. Territorial development and sales quotes	N/A	Items 12
K. Ongoing products and services purchases	N/A	Item 5 & 8
L. Maintenance, appearance and remodeling requirements	Article 5	Items 7 & 11
M. Insurance	Article 5	Item 7
N. Advertising	Article 7	Items 6, 7, & 11
O. Indemnification	Article 6, Article 18	Item 6
P. Owner's participation/management and staffing	Articles 5 & 6	Items 11 & 15
Q. Records/reports	Article 7	Items 11
R. Inspections/audits	Article 7	Item 6
S. Transfer	Article 9	Item 17
T. Renewals	Article 8	Item 17
U. Post-termination obligations	Article 11	Item 17
V. Non-competition covenant	Articles 6 & 12, Exhibit C	Item 17
W. Dispute resolution	Articles 15 & 16 & 18	Item 17

Item 10

FINANCING

We do not offer, directly or indirectly, any financing arrangements to you the franchisee. Neither do we guarantee your note, lease, or any other obligation.

Item 11

FRANCHISOR'S OBLIGATIONS

Our intent is to help you succeed as a Falbo Bros Pizzeria® franchisee. Please note, however, that, except as listed below, we are not required to provide any assistance to you under the Franchise Agreement.

A. Initial Services

Our obligations prior to or at the opening of your Franchise are as follows: If you *are* opening or developing a new location, we will review your plans and site and approve them as long as they meet our requirements. We will provide you with a copy of our standard plans and specifications for your franchise. You must construct or remodel your location to our standards and subject to our approval; and you must obtain all required permits and make sure the premises conform to all codes and ordinances. We will provide you with general guidance and advice as requested under reasonable circumstances and we may furnish to you such guidance and assistance as we deem appropriate in our reasonable opinion to assist you in operating your business. Note that, our acceptance notwithstanding, we cannot represent that your business will be profitable at the approved location.

Our acceptance of a location and entering into a Franchise Agreement with you is conditioned upon our determination that:

- The site which you have submitted is within your allotted Franchise Area.
- You are in compliance with the terms of the Franchise Agreement.
- Your lease for the Franchise site is acceptable to us.
- We will provide you with specifications for the layout of your Franchise along with minimum requirements for furniture, fixtures, and inventory at the accepted location.
- We will provide you with specifications for all equipment, signs, furnishings, fixtures, and unique products/recipes/processes.

We will offer certain training programs designed to assist you in good business management and in the operation of your franchise. We will also provide training to any new manager of your **FALBO BROS PIZZERIA®** franchise for the training/education fee noted in Item 6. We may require that you complete extra training if, in our opinion, it is needed during the term of the Franchise Agreement.

We will provide you with general guidance, and we may advise you of operating problems should they come to our attention. We may furnish to you such guidance and assistance, as we deem appropriate in our reasonable opinion.

We may furnish you with a permanent loaned copy of our Operations Manual. We may modify this manual from time to time, but such modifications will not alter your status and rights under the Franchise Agreement. This manual contains mandatory and suggested standards,

operating procedures and rules prescribed by us for your franchise. The Operations Manual may not be reproduced or distributed to any unauthorized person.

We will approve or disapprove samples of your advertising and promotional materials. We will deliver to you any equipment that is paid for and covered by the initial Franchise Fee. We will schedule you for our training program which you must successfully complete. The training program can include any manager, or other employee in addition to you. The introductory training program is covered in the initial franchise fee, but you are responsible for all of your costs associated with attending such training program, such as travel, room and board.

B. Continuing Services

We will maintain a continuing advisory relationship with you regarding the development and operation of your franchise. We will provide such guidance and assistance as we deem appropriate. Our obligations during the operation of your franchise are: we will provide to you personnel training at locations designated by us. After the opening of your franchise, we will provide training to any new manager of your choice subject to the fee disclosed in Item 6.

We will make the officers and employees at our home office available to you for consultation concerning the operation of your franchise and to address any specific problem, obstacle or challenge you face. We will instruct you in the presentation and use of our trademark. We also hold annual meetings. We may visit your franchise from time to time or upon request for the purpose of advising you with respect to operational and sales matters. Should you request such a visit, you will be responsible for all transportation, room and board incurred by us during the visit. Visits may take place at our discretion, and at the times of our choosing.

At our sole discretion, we will take appropriate action to protect the Trademark/Service Marks and distinguishing characteristics of the **FALBO BROS PIZZERIA®** franchise. We will maintain a referral system for providing you with information regarding prospective customers in your franchise area, but such prospects are not guaranteed by us nor considered as part of the normal operations of the franchise system.

We will administer all funds received from you for advertising. We will create and administer an advertising fund for such advertising and promotional programs as we deem appropriate. We also reserve the right to determine the composition of all market areas for the implementation of such advertising. As per the terms of the Franchise Agreement, Advertising Assessments (Section 7.2) you may be required to contribute a percentage of gross proceeds after sales tax to an advertising fund, which is payable in USD. All advertising fees are nonrefundable, and the administration of the Advertising Assessments shall be at the Franchisor's sole and absolute discretion. Franchisee acknowledges that the Advertising Assessments may not benefit

franchisees proportionately to the sums paid in any particular geographic area. Funds not utilized in any year may be held for future use by Franchisor.

We may also establish an Advertising Co-Op fund (the Fund), which will be voluntary to franchisees. Advertising requirements for this fund will be uniform to all participating franchisees. The Fund will be accounted for separately from **FALBO BROS** funds and will not be used to defray any of our general operating expenses. In deploying these funds, we may use print ads, radio, TV, and any other media; and we may or may not use in-house advertising and/or an in-house advertising agency at our discretion. There is no obligation to ensure that expenditures by the Fund in any geographic area are proportional to contributions made to the Fund by franchisees operating in such geographic area, or that you will benefit directly or in proportion to your contribution to the Fund.

Explanatory Notes:

A-5: The Falbo Bros Pizzeria® training program described herein is mandatory.

B-9: No local or regional advertising cooperatives are currently in operation.

A-1: It is estimated that the time interval between execution of the Franchise Agreement and the opening of your **FALBO BROS PIZZERIA®** franchise will be 30 – 180 days. Factors that may affect this length of time include obtaining a satisfactory site, obtaining necessary local permits and/or licenses, securing financing arrangements, build-out time, and others.

B-9: You are required to maintain a listing in both the white and yellow pages of the principal telephone directories in your primary trading area. In addition, you are required to maintain internet connectivity.

A-8: You are free to undertake additional advertising at your own expense, and you are encouraged to do so, but all such advertising must be approved by us in advance.

A-7: Falbo Bros has licensed Franchisee to use The Operations Manual.

Training Schedule for Falbo Bros Pizzeria® Franchises

As of the date this Disclosure Document was prepared, **FALBO BROS** provides the following 150-hour training program for all new franchisees:

FALBO BROS PIZZERIA TRAINING PROGRAM	Required for:	Hours of On-The- Job Training	Location
Franchise Startup Training	Franchisee Principal/Designee	15 hours	TBD

Management Training	Franchisee Principal/Designee	30 hours	TBD
Product Training	All Management and/or personnel you select	85 hours	TBD
Brand Training	All Management and/or personnel you select	10 hours	TBD
TOTAL		150 hours	

* Optional – See separate Falbo Bros offering. Hours are estimates only; may be shorter or longer, depending on individual.

** Falbo Bros Headquarters or designated location.
All training programs are regularly reviewed and updated.

Until such time as we may change the course, you need only attend this course one time and do not have to retake it for subsequent franchises. All Franchisees must complete the training program to our satisfaction before you can open, or operate your franchised business. All expenses for travel, lodging and board for training for you and your personnel are your sole responsibility.

Item 12

TERRITORY

You must operate your Franchised Business limited solely to the specific location identified in the Franchise Agreement as your Franchised Area. You may not conduct business at any other site, nor relocate the Franchised Business without our written consent, which we will not unreasonably withhold. The boundaries of your Franchised Area will depend on predetermined geographical locations such as zip codes, city, or county lines.

We will evaluate the potential for future growth of the **FALBO BROS PIZZERIA®** chain when determining your Franchised Area. You must make the initial proposal for the boundaries of your Franchised Area. We have the right to change the boundaries you propose and establish boundaries which we believe to be more appropriate.

As long as you or your Principals are not and have not been in violation or breach of the Franchise Agreement or other agreement between you or your affiliates and us or our affiliates, neither we nor our affiliates will establish or authorize any other person or entity to establish a Falbo Bros Pizzeria of the same concept in the Assigned Area granted under the Franchise Agreement during the term of the Franchise Agreement. We and our affiliates retain all other rights, including the right at any time to conduct (or authorize third parties to conduct) the following activities, regardless of competitive effect on the Assigned Area or any Falbo Bros Pizzeria you operate: (1) advertise and promote Falbo Bros; (2) establish Alternative Distribution Sites *e.g.* smaller food service facilities, food service sites in transportation centers such as airports, train stations, bus stations and highway rest areas, in-room hotel dining, theater

concessions, grocery stores and other non-restaurant retail locations, Falbo Bros Express locations and institutional food service sites; (3) sell products and services from Alternative Distribution Sites; (4) provide catering and delivery services; (5) offer and sell collateral and ancillary products and services which may be similar to those offered by the Falbo Bros, such as pre-packaged food products, wearables, Falbo Bros memorabilia, and kitchen utensils other than through a Falbo Bros Pizzeria; and (6) offer and sell products and services under other names and marks. We also reserve the right to operate and franchise Falbo Bros Pizzerias anywhere outside your Assigned Area.

FALBO BROS presently intends to establish other franchises or company-owned businesses selling similar products or services under the trademark Falbo Bros Pizzeria®.

There are no minimum sales goals or market penetration that must be obtained in order to operate your Franchise in your Franchised Area.

THE FRANCHISOR HAS ESTABLISHED OR MAY ESTABLISH ANOTHER FRANCHISEE WHO MAY ALSO USE THE FRANCHISOR'S TRADEMARK. THE FRANCHISOR HAS ESTABLISHED OR MAY ESTABLISH A COMPANY-OWNED OUTLET OR OTHER CHANNELS OF DISTRIBUTION USING THE FRANCHISOR'S TRADEMARK.

If, through no fault of your own, you lose possession of the premises due to an event of force majeure, we will allow you to relocate the Franchised Business to another location, which we must approve within 60 days of the event of force majeure. You must reopen for business at the new location within 6 months after we approve the location, and we may charge you an agreed minimum royalty fee during the period in which the Franchised Business is not in operation.

We reserve the right to establish company-owned or franchised-operated business that sell similar products and/or services under different trade names or trademarks other than the Proprietary Marks. We may also sell products or services under the Proprietary Marks, or any other marks, through any other retail outlets, and we may establish other channels of distribution providing the same or similar services under the same or a different trade name or trademark.

You have no right of first refusal or similar rights to acquire additional franchisees or establish additional Falbo Bros Pizzerias. If we grant you an additional franchise, you must enter into a separate Franchise Agreement with us.

Item 13

TRADEMARKS, SERVICE MARKS & LOGOS

We grant you the nonexclusive right to conduct business under the name **FALBO BROS PIZZERIA®** and use our trademark solely for the operation of your **FALBO BROS PIZZERIA®** franchise and in the manner authorized by “us”.

We retain the right to use and to license others to use our trademark and logo, to create other systems using the same trademark and you the franchisee have no rights in the trademark **FALBO BROS PIZZERIA®** other than what is expressly granted in the Franchise Agreement. When using the trademark on checks, invoices, receipts, contracts or any other documents with our trademark on it your name must be followed by the phrase “A Franchisee of **FALBO BROS PIZZERIA®**”. The service mark, or trademark "**FALBO BROS PIZZERIA®**" is on the principal register of the United States Patent and Trademark office. A sample image of the trademark is attached to this Disclosure Document for information purposes only.

<u>Mark</u>	<u>Registration Number</u>	<u>Date</u>	<u>Register</u>
FALBO BROS PIZZERIA	3,714,571	11/24/2009	Principal

There are no determinations currently in effect that significantly limit our rights to use or license others to use the trademarks and service marks in any manner material to the franchise by the United States Patent and Trademark Office, the Trademark Trial And Appeal Board, or the trademark administrator of any state or any court, nor any pending interference, opposition or cancellation proceeding or litigation involving the trademark. Under the terms of the Franchise Agreement, you must follow our rules when you use our trademark. You must notify us immediately in writing of any apparent infringement to your use of our trademark. You may not, without our written consent, start, prosecute, or seek any litigation to enforce any right or recover any element of damage arising from the use or infringement of our trademark. We have the sole discretion to take such action as we deem appropriate to exclusively control any litigation concerning trademark infringement.

We are not obligated by the Franchise Agreement or other agreements to participate in your defense or to indemnify you if you are a party to any administrative or judicial proceeding involving any of the trademarks referred to herein.

In the event we modify or discontinue using our trademark, you must without delay modify or cease using it as well. The use of a new or modified trademark may require you at your own expense to change existing signs from your **FALBO BROS PIZZERIA®** franchise

and purchase and install new signs. Under the terms of the Franchise Agreement, we have no liability to you in connection with such an exchange.

Upon expiration of the Franchise Agreement you must cease using the trademark or logo in any manner whatsoever.

Functions of Marks and Restrictions:

We own and use the Marks in conducting our business and showing the origin of our services and products. You may not claim any rights in the display of the trademark, and you may not incorporate using the name of **FALBO BROS PIZZERIA®**, or display the trademark beyond the limited permission granted herein this Franchise Agreement. You may not use the trademark as part of your internet domain name, but may display it on your web site.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

These materials are proprietary and confidential and are considered our property. They may be used by you only as long as you are a franchisee, and only as provided in your Franchise Agreement.

You may use these materials, only in the manner we approve, in the operation of your **FALBO BROS PIZZERIA®** franchise during the term of your Franchise Agreement. You may not use such materials in any other way for your own benefit, nor communicate or disclose them to, or use them for the benefit of any other person or entity. These materials include any trade secrets, techniques, know-how, confidential information, or knowledge of advertising, marketing, designs, plans, or methods of operation. This also includes information about our sources of supply and recommendations on pricing.

You may disclose this information to your employees, but only to the extent necessary to operate the business, and then only while your Franchise Agreement is in effect. You must also promptly tell us if and when you learn about unauthorized uses, or challenges to our uses, of this proprietary information.

The Franchise Agreement provides that you will not acquire any interest in the Confidential Information other than the right to utilize it in the development and operation of your **FALBO BROS PIZZERIA®** franchise during the term of the Franchise Agreement, and that the use or duplication of the Confidential Information in any other businesses would constitute unfair competition. You also agree that the Confidential Information is proprietary to us and is disclosed to you solely on the condition that (1) you will not use the Confidential Information in any other business, (2) you will maintain the absolute confidentiality of the Confidential Information during and after the term of the Franchise Agreement, and (3) you will make sure nondisclosure and non-competition clauses are in effect in employment agreements with your employees before they receive any training from you. If you develop any new

concept, process, or improvement in the operation or promotion of your Franchised Business, you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. You agree that any of these concepts, processes, or improvements will become our property and we may use or disclose them to other franchisees as we deem appropriate.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Franchise Agreement provides that you devote your continuous best efforts to the development, management and operation of your business. This means devoting sufficient time and resources to ensure full and complete compliance with your obligations to us, to your customers and to others. Your **FALBO BROS PIZZERIA®** franchise must at all times be under your direct, day-to-day supervision, but you need not participate personally in day-to-day operations, if you have an approved manager who has completed our training program. You may not have any business relationship with any business competitor. You must obtain covenants against the use and disclosure of any confidential information and covenants not to compete from your managers and any other employees or agents who have received or will have access to our Confidential Information. All of the required covenants must be in substantially the form of the Nondisclosure and Noncompetition Agreement attached as Exhibit 5 to this Disclosure Document. Each owner of the Franchised Business must guaranty your obligations under the Franchise Agreement and be personally bound by each term of the Franchise Agreement. Our current form of the Owners Guaranty is attached at Exhibit 6 to this Disclosure Document.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The Franchise Agreement requires that you confine your business activity to the operation of a **FALBO BROS PIZZERIA®** franchise. You may not conduct any other business or activity at the **FALBO BROS PIZZERIA®** location without our prior written approval. You may only offer or sell products or services approved by us, and we may add, delete or change such approved products and services, which you are required to offer. There are no limits on our right to do so. You may advertise to sell **FALBO BROS PIZZERIA®** products and services only to customers located within your territory. (See Item 12). Unless you obtain prior written approval, you are prohibited from (a) offering or selling products or services not authorized by us; (b) using the premises of the Franchised Business for any purpose not related to the Franchise Business; and (c) soliciting other franchisees either directly or indirectly for any other business or investment activity. You may not advertise, offer for sale, or sell any products that are damaged, deteriorated, or “out of date.” All such inferior or nonconforming items must be withdrawn from sale and removed from the premises. We have the right to add or delete items,

products, merchandise or services and you must do the same on notice from us. There are no limits in our right to do so.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The renewal of your **FALBO BROS PIZZERIA®** Franchise Agreement shall be charged at \$5,000.00 plus attorney’s fees. This renewal fee is above and beyond any other fees.

There are no restrictions on our rights to assign the Franchise Agreement. Only the terms of the Franchise Agreement are binding, any other promises may not be enforceable.

Table 17A: Franchise and Related Agreements

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the exhibits attached to this Disclosure Document.

	<u>Provision</u>	<u>Franchise Agreement Section</u>	<u>Summary</u>
a	Term of Franchise	Article 10	5 Years
b	Renewal or extension of the terms	Article 8	Renewals are available only if you meet certain requirements
c	Requirements for Franchisee to renew or extend	Article 8	If offered, you must: (1) provide written notice of intent to renew; and (2) be in full compliance with the terms of the Franchise Agreement
d	Termination by Franchisee	Articles 10 & 11	Only if we have materially breached or failed to comply with the Franchise Agreement
e	Termination by Franchisor without cause	N/A	We cannot terminate without cause
f	Termination by Franchisor with cause	Articles 8, 9, 10 & 11	We can terminate the Franchise Agreement if you breach a material provision of your Franchise Agreement

	<u>Provision</u>	<u>Franchise Agreement Section</u>	<u>Summary</u>
g	Cause defined – curable defaults	Articles 8, 9, & 10	Violation of health, safety or sanitation laws upon 72 hours failure to pay amounts owed; 30 days for all other defaults
h	Cause defined – non-curable defaults	Articles 8, 9 & 10	Nonpayment, loss of control, omission on application, misrepresentation, felony conviction, unauthorized use of confidential information, failure to pay taxes, dishonest or unethical conduct, bankruptcy, repeated violations of Agreement, customer complaints, see applicable home state laws
i	Franchisee’s obligations on termination/ non-renewal	Article 11	Cease operating franchised business; cease use of confidential information and Trademark; deliver property containing the Trademark; cancel assumed or similar name registrations; pay outstanding amounts and damages; deliver manuals; assign phone numbers; comply with covenants.
j	Assignment of contract by Franchisor	Article 11	There are no restrictions on our right to assign.
k	Transfer by Franchisee - defined	Article 9	A transfer by you is any sale, assignment, transfer, conveyance, gift, pledge, mortgage or other encumbrance of any interest in either the Franchise Agreement, the franchise itself, or any proprietorship, partnership, limited liability company (LLC) or corporation which owns any interest in the franchise, to any person, persons, partnership, association, LLC or corporation, whether by contract, operation of law or otherwise.
l	Franchisor approval of transfer by Franchisee	Article 9	You are not permitted to transfer any interest in the Franchise Agreement or in the proprietorship, partnership, corporation or LLC that owns any

	<u>Provision</u>	<u>Franchise Agreement Section</u>	<u>Summary</u>
			interest in the franchise, without our prior written consent. We will not unreasonably withhold such consent if your transfer meets all of our conditions.
m	Conditions for Franchisor’s approval of transfer	Article 9	Your transfer must meet the following conditions: (1) the transferee, including each partner, shareholder or member, must meet our qualifications, (2) you must satisfy all accrued and accelerated money obligations to us”, (3) no one may assert a security interest in the franchise, (4) the transferee must meet all of our qualifications and sign our then-current Franchise Agreement, including an agreement that payments to us have priority over payments to you (as seller), (5) you must execute a general release of all claims against us at the closing. We may have additional reasonable requirements at the time you decide to sell your business.
n	Franchisor’s right of first refusal to acquire Franchisee’s business	Article 9	If you wish to sell any interest in the franchise, you must give us 60-days’ notice to elect to purchase such interest on the same terms and conditions. If the terms later change, We must receive notice of the changes and will have a new 60-day option to meet the new terms.
o	Death or disability of Franchisee	Article 9	If your Franchise Agreement is terminated due to your default, you must sell to us (if we elect) any or all equipment, signs, trade fixtures, and furnishings used in the franchise, at the then-current fair market value less any indebtedness on the equipment, and indebtedness to us. Value to

	<u>Provision</u>	<u>Franchise Agreement Section</u>	<u>Summary</u>
			be determined by appraisal if parties
p	Death or disability of Franchisee	Article 12	If franchisee should die or be disabled, the legal representative of the affected party, with all other partners, members or shareholders, if any, have 6 months to apply to transfer the franchise or the interest of the affected party to a transferee acceptable to us.
q	Non-competition covenants during the term of the Franchise	Articles 6, 12, Ex C	You may not have any interest in any other business which sells or offers to sell substantially similar products or services of the type offered at your FALBO BROS PIZZERIA® franchise.
r	Non-competition covenants after the franchise is terminated or expires	Article 12, Exhibit C	The restrictions described in q. above remain effective for 2 years after the Franchise Agreement expires or is terminated, regardless of the cause, except that they do not apply to another business located more than 5 miles from any other FALBO BROS PIZZERIA® franchise
s	Modification of the Franchise Agreement	N/A	Generally, there are no modifications unless in writing, signed by both parties. Operations Manual policies and other standards and requirements are subject to change
t	Integration/merger clause	N/A	Only terms of the Franchise Agreement are binding (subject to state law) Any other promises are not enforceable
u	Dispute resolution by mediation	Article 18	Arbitration in Minnesota
v	Choice of forum	Article 18	Litigation in Minnesota
w	Choice of law	Article 18	Provides that the agreement is interpreted under Minnesota laws

	<u>Provision</u>	<u>Franchise Agreement Section</u>	<u>Summary</u>
			apply (unless prohibited by laws of state where franchise is located)

Home State – the state in which you the franchisor reside should be inserted in above chart. These states have statutes which may supersede the franchise agreement in your relationship with “us” including the areas of termination and renewal of your franchise:

ARKANSAS [Stat. Section 70-807]
CALIFORNIA [Bus. & Prof. Code Sections 20000-20123]
CONNECTICUT [Gen. Stat. Section 42-133e]
DELAWARE [Code Sections 2551-2556]
HAWAII [Rev. Stat. Section 482E-1]
ILLINOIS [ILCS, Ch. 815, Sections 705/1-705/44]
INDIANA [Stat. Section 23-2-2.7],
IOWA [Code Sections 537A.1-537A.10]
MICHIGAN [Stat. Section 19.854(27)]
MINNESOTA [Stat. Section 80C.14]
MISSISSIPPI [Code Section 75-24-51]
MISSOURI [Stat. Section 407.400]
NEBRASKA [Rev. Stat. Section 87-401]
NEW JERSEY [Stat. Section 56:10-11]
SOUTH DAKOTA [Codified Laws Section 37-5A-51]
VIRGINIA [Code 13.1-557-574-13.1-564]
WASHINGTON [Code Section 19.100.180]
WISCONSIN [Stat. Section 135.03].

These and other states may have court decisions which may supersede the franchise agreement in your relationship with us, including the areas of termination and renewal of your franchise.

Termination on Bankruptcy

Under Title 11, United States Code Section 101 et seq. the provision of the Franchise Agreement that terminates your franchise may not be enforceable.

Restrictions on our Post-Termination Rights

These and other states have laws that may limit our ability to restrict your activity after the franchise agreement expires or is terminated:

California [Bus. & Prof. Code Sec. 16,600]
Florida [Statutes Sec. 542.33]
Michigan [CLS 445.771 et seq.]
Montana [codes Section 30-14-201]
North Dakota [Century Code Sec. 9-06-06]
Oklahoma [Statutes Sec. 15-217-19]

Item 18

PUBLIC FIGURES

As of the date of preparing this Disclosure Document, we did not use any public figure to promote our franchise. However, in the future, we may offer certain celebrities a discount on their Initial Franchise Fee on the condition that they make one or more public appearances and announcements to the media; and allow their names, photographs and information about their celebrity history to be included in news releases.

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchises and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Franchisor's Home Office, the Federal Trade Commission or any appropriate state regulatory agencies. You should conduct your own independent investigation as to the potential costs and expenses you might incur in operating your own franchised business. It is in fact possible that you will achieve no income as a result of starting and operating this franchised business or from any guidance that you receive from us.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

SYSTEMWIDE OUTLET SUMMARY

For Years Ending 2014, 2015, 2016, 2017, 2018, 2019, 2020

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Changes
Franchised	2014	11	11	0
	2015	11	12	+1
	2016	12	12	0
	2017	12	11	-1
	2018	11	12	+1
	2019	12	10	-2
	2020	10	10	0
	2021	10	9	-1
	2022	9	7	-2
	2023	7	7	0
Company-Owned	2014	2	2	0
	2015	2	2	0
	2016	2	0	-2
	2017	0	0	0
	2018	0	0	0
	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2014	12	11	-1
	2015	11	12	+1
	2016	12	12	0
	2017	12	11	-1
	2018	11	12	+1
	2019	12	10	-2
	2020	10	10	0
	2021	10	9	-1
	2022	9	7	-2
	2023	7		

TABLE NO. 2

**TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE)
FOR YEARS ENDING 12/31/2014 TO 12/31/2023**

State	Year	Number of Transfers
AL	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
AZ	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
AR	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
CA	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
FL	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
GA	2014	
	2015	

State	Year	Number of Transfers
	2016	
	2017	
	2018	
	2019	
	2020	
HA	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
IL	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
IN	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
IA	2014	
	2015	
	2016	
	2017	2
	2018	2
	2019	
	2020	
	2021	
	2022	
	2023	
KS	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	

State	Year	Number of Transfers
KY	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
LA	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
ME	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
MD	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
MA	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
MI	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
MN	2014	

State	Year	Number of Transfers
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
MS	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
MO	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
NE	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
NV	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
NH	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
NJ	2014	
	2015	
	2016	

State	Year	Number of Transfers
	2017	
	2018	
	2019	
	2020	
NM	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
NY	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
NC	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
ND	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
OH	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
OK	2014	
	2015	
	2016	
	2017	

State	Year	Number of Transfers
	2018	
	2019	
	2020	
OR	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
PA	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
RI	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
SC	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
SD	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
TN	2014	
	2015	
	2016	
	2017	
	2018	

State	Year	Number of Transfers
	2019	
	2020	
TX	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
UT	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
VT	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
VA	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
WA	2014	
	2015	
	2016	
	2017	
	2018	
	2019	
	2020	
WV	2014	
	2015	
	2016	
	2017	
	2018	
	2019	

State	Year	Number of Transfers
	2020	
WI	2014	
	2015	
	2016	
	2017	1
	2018	1
	2019	1
	2020	2
	2021	
	2022	
	2023	
Total		9

**TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS ENDING 12/31/2014 TO 12/31/2022**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
AL	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
AZ	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
AR	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
CO	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
FL	2020							
	2014							
	2015							
	2016							
	2017							
	2018							
GA	2019							
	2020							
	2014							
	2015							
	2016							
	2017							
HA	2018							
	2019							
	2020							
	2014							
	2015							
	2016							
IL	2017							
	2018							
	2019							
	2020							
	2014							
	2015							
IN	2016							
	2017							
	2018							
	2014							

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
	2019							
	2020							
IA	2014	3	1					4
	2015	4						4
	2016	4						4
	2017	4						4
	2018	4					1	3
	2019	3						3
	2020	3						3
	2021	3						3
	2022	3						2
	2023	2						
KS	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
KY	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
LA	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
ME	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
MD	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
MA	2020							
	2014							
	2015							
	2016							
	2017							
	2018							
MI	2019							
	2020							
	2014							
	2015							
	2016							
	2017							
MN	2018							
	2019							
	2020							
	2014							
	2015							
	2016							
MS	2017							
	2018							
	2019							
	2020							
	2014							
	2015							
MO	2016							
	2017							
	2018							
	2014							

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
	2019							
	2020							
NE	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
NV	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
NH	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
NJ	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
NM	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
NY	2014							
	2015							
	2016							

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
	2017							
	2018							
	2019							
	2020							
NC	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
ND	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
OH	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
OK	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
OR	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
PA	2014							

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
RI	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
SC	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
SD	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
TN	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
TX	2014							
	2015	0						1
	2016	1						1
	2017	1						1
	2018	1						1
	2019	1					1	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
	2020							
UT	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
VT	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
VA	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
WA	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
WV	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
WI	2014	7						7
	2015	7						7
	2016	7						7
	2017	7					1	6

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
	2018	6	1					7
	2019	7						7
	2020	7						7
	2021	7						6
	2022	6						5
	2023	5						
TOTAL	2016	12						12
	2017	12					1	11
	2018	11	1				1	12
	2019	12					2	10
	2020	10						10
	2021	10					1	9
	2022	9						7
	2023	7						

**TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS ENDING 12/31/2014 TO 12/31/2022**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
AL	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
AZ	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
AR	2014						

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
CO	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
FL	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
GA	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
HA	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
IL	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
IN	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
IA	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
KS	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
KY	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
LA	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
ME	2014						
	2015						
	2016						
	2017						
	2018						
2019							

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
	2020						
MD	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
MA	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
MI	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
MN	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
MS	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
MO	2014						
	2015						
	2016						
	2017						
	2018						

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
	2019						
	2020						
NE	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
NV	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
NH	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
NJ	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
NM	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
NY	2014						
	2015						
	2016						
	2017						

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
	2018						
	2019						
	2020						
NC	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
ND	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
OH	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
OK	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
OR	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
PA	2014						
	2015						
	2016						

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
	2017						
	2018						
	2019						
	2020						
RI	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
SC	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
SD	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
TN	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
TX	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
UT	2014						
	2015						

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
	2016						
	2017						
	2018						
	2019						
	2020						
VT	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
VA	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
WA	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
WV	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
WI	2014						
	2015						
	2016						
	2017						
	2018						
	2019						
	2020						
Total							0

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
	2014						0
	2015						0
	2016						0
	2017						0
	2018						0
	2019						0
	2020						0

**TABLE NO. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2022**

State	Franchise Agreement Signed By Outlets Not Opened	Projected New Franchised Outlets in Current Year (2023)	Projected New Company-Owned Outlets in Current Year (2023)
AL			
AZ			
AR			
CA			
FL			
GA			
HA			
IL			
IN			
IA			
KS			
KY			
LA			
ME			
MD			
MA			
MI			
MN			
MS			
MO			
NE			
NV			
NH			
NJ			

State	Franchise Agreement Signed By Outlets Not Opened	Projected New Franchised Outlets in Current Year (2023)	Projected New Company-Owned Outlets in Current Year (2023)
NM			
NY			
NC			
ND			
OH			
OK			
OR			
PA			
RI			
SC			
SD			
TN			
TX			
UT			
VT			
VA			
WA			
WV			
WI			
TOTAL	0	0	0

If you buy a franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We have no current or former franchisees who have signed provisions during the last three years restricting their ability to speak openly to you about their experience with the Falbo Bros franchise system.

As of the date of this Disclosure Document, there are no franchisee organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this Disclosure Document.

The name, city, state and current business telephone number (or, if unknown, the last known telephone number) of the franchisees who had an outlet terminated, cancelled, not renewed, or otherwise voluntary or involuntarily ceased to do business under the Franchise Agreement during the most recently completed calendar year, or has not communicated with us within 10 weeks of

this issuance date of this Disclosure Document, are listed on Exhibit 3 List of Former Franchisees.

Item 21

FINANCIAL STATEMENTS

Culinary Management Services, Inc. purchased the valuable assets of Falbo Bros. Pizzeria, Inc. and Falbo Bros Franchising, LLC effective December 31, 2016. Annually, Culinary internally produces financial statements which include profit and loss statements and a balance sheet. Culinary will attach a financial statement year ending 2022.

Item 22

CONTRACTS

Copies of the following forms, contracts, and/or agreements are attached as exhibits to this Disclosure Document:

Exhibit 1	List of State Agencies & Agents for Service of Process
Exhibit 2	List of Current Franchisees
Exhibit 3	List of Former Franchisees
Exhibit 4	Franchise Agreement (with attachments)
Exhibit 5	Non-Disclosure and Non-Competition Agreement
Exhibit 6	Owner's Guaranty
Exhibit 7	Falbo Bros Pizzeria Franchise Application
Exhibit 8	Receipt

The Franchise Agreement, and all other documents and agreements are governed by the laws of the State of Minnesota.

Item 23

RECEIPTS

You will find two (2) copies of a detachable Receipt in Exhibit 8 at the end of the Disclosure Document. One Receipt must be signed, dated, and delivered to us. The other Receipt should be retained for your records.

[remainder of page purposely left blank]

RECEIPT

This Financial Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

IF CULINARY MANAGEMENT SERVICES, INC. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the financial relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration, whichever comes first.

IF CULINARLY MANGEMENT SERVICES, INC. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington DC 20580 and any applicable state agency (as listed in Exhibit 1 to this disclosure document).

The franchisor is Culinary Management Services, Inc., located 6867 Boudin Street NE, Ste 2, Prior Lake, MN 55372. Its telephone number is (651) 303-4834.

We authorize the respective state agencies identified on Exhibit 1 to receive service of process for us if we are registered in the particular state.

Issuance Date: February 6, 2023.

The name, principal business address, and telephone number of the franchise sellers offering the franchise are:

Name:	Principal Business Address:	Telephone No.
Stuart P. Bell, President and Owner of Culinary Management Services, Inc. (a Minnesota company)	6867 Boudin Street NE, Ste 2 Prior Lake, MN 55372	(651) 303-4834

ACKNOWLEDGEMENT

I received a disclosure document dated February 6, 2023. The disclosure document included the following exhibits:

- Exhibit 1 List of State Agencies & Agents for Service of Process
- Exhibit 2 List of Current Franchisees
- Exhibit 3 List of Former Franchisees
- Exhibit 4 Franchise Agreement (with attachments)
- Exhibit 5 Non-Disclosure and Non-Competition Agreement
- Exhibit 6 Owner’s Guaranty
- Exhibit 7 Falbo Bros Pizzeria Franchise Application
- Exhibit 8 Receipt

RETURN THIS RECEIPT TO US AT:

Falbo Bros. Pizzeria
 c/o William L. Bernard, Esq.
 6867 Boudin Street NE, Ste 2
 Prior Lake, MN 55372
 Tel: (651) 303-4834
 Email: bbernard@stonegate-foods.com

Name of Entity that Received this FDD:

Name of Entity that Received this FDD:

Signed: _____

Signed: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

RECEIPT

This Financial Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

IF CULINARY MANAGEMENT SERVICES, INC. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the financial relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration, whichever comes first.

IF CULINARLY MANGEMENT SERVICES, INC. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington DC 20580 and any applicable state agency (as listed in Exhibit 1 to this disclosure document).

The franchisor is Culinary Management Services, Inc., located 6867 Boudin Street NE, Ste 2, Prior Lake, MN 55372. Its telephone number is (651) 303-4834.

We authorize the respective state agencies identified on Exhibit 1 to receive service of process for us if we are registered in the particular state.

Issuance Date: February 6, 2023.

The name, principal business address, and telephone number of the franchise sellers offering the franchise are:

Name:	Principal Business Address:	Telephone No.
Stuart P. Bell, President and Owner of Culinary Management Services, Inc. (a Minnesota company)	6867 Boudin Street NE, Suite 2 Prior Lake, MN 55372	(651) 303-4834

ACKNOWLEDGEMENT

I received a disclosure document dated February 6, 2023. The disclosure document included the following exhibits:

Issued Date: February 6, 2023 55
Culinary Management Services, Inc.
2023 (v. 1) Falbo Bros Franchise Disclosure Document

- Exhibit 1 List of State Agencies & Agents for Service of Process
- Exhibit 2 List of Current Franchisees
- Exhibit 3 List of Former Franchisees
- Exhibit 4 Franchise Agreement (with attachments)
- Exhibit 5 Nondisclosure and Noncompetition Agreement
- Exhibit 6 Owner's Guaranty
- Exhibit 7 Falbo Bros Pizzeria Franchise Application
- Exhibit 8 Receipt

RETURN THIS RECEIPT TO US AT:

Falbo Bros. Pizzeria
 c/o William L. Bernard, Esq.
 6867 Boudin Street NE, Ste 2
 Prior Lake, MN 55372
 Tel: (651) 303-4834
 Email: bbernard@stonegate-foods.com

Name of Entity that Received this FDD:

Name of Entity that Received this FDD:

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT 1 TO THE DISCLOSURE DOCUMENT

IF A STATE IS NOT LISTED, WE HAVE NOT APPOINTED AN AGENT FOR SERVICE OF PROCESS IN THAT STATE IN CONNECTION WITH THE REQUIREMENTS OF THE FRANCHISE LAWS. THERE MAY BE STATES IN ADDITION TO THOSE LISTED BELOW IN WHICH WE HAVE APPOINTED AN AGENT FOR SERVICE OF PROCESS. THERE MAY ALSO BE ADDITIONAL AGENTS APPOINTED IN SOME OF THE STATES LISTED BELOW.

OUR AGENT IN THE STATE OF WISCONSIN IS:

Jason Schleip
9430 Old Orchard Trail
Verona, WI 53593

OUR AGENT FOR THE STATE OF IOWA IS:

BROOK SCHULTZ
1501 WEST 29TH STREET
SIOUX CITY, IA 51103

STATE AGENCIES AND ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

(Federal)
FEDERAL TRADE COMMISSION
Division of Marketing Practices
Seventh and Pennsylvania Avenues N.W.
Room 238
Washington, D.C. 20580
202-326-2970

State Franchise Regulators

CALIFORNIA
Department of Business Oversight
Los Angeles
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213)576-7500
Sacramento
1515 K Street, Suite 200
Sacramento, CA 95814-4052
(916) 445-7205
San Diego
1350 Front Street, Room 2034
San Diego, CA 92101-3697
(619) 525-4233
San Francisco
One Sansome Street, Suite 600
San Francisco, CA 94104-4428
(415) 686-8565

CONNECTICUT
Banking Commissioner
44 Capitol Avenue
Hartford, Connecticut 06106
203-566-4560

Issue Date: February 6, 2023
Culinary Management Services, Inc.

State Franchise Regulators

MARYLAND
Regulatory Agency:
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MN 21202-2020
(410) 576-7042

Agent to Receive Process:
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN
Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
525 W. Ottawa Street
Williams Building, 1st Floor
Lansing, Michigan 48913
517-373-7117

HAWAII
Dept of Commerce & Consumer Affairs
Business Registration Division
Commissioner of Securities
PO Box 40
Honolulu, Hawaii 96810
808-586-2744

MINNESOTA
Minnesota Department of Commerce
Market Assurance Division
85 7th Place East, Suite 500
St. Paul, MN 55101-2198
(651) 296-6328

ILLINOIS
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
217-782-4465

NEW YORK
Regulatory Agency:
New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271
212-416-8211

IOWA
Iowa Secretary of State
First Floor
321 East 12th Street
Des Moines, IA 50319

Service of Process:
Secretary of State
The Division of Corporations
One Commerce Plaza
99 Washington Avenue
Albany, NY 12231-0001

INDIANA
Franchise Section
Indiana Securities Division
Secretary of State
302 West Washington St. Room E-311
Indianapolis, Indiana 46204
317-232-6681

NORTH DAKOTA
Office of Securities Commissioner
600 East Boulevard, 5th Floor
Bismarck, North Dakota 58505-0510
701-328-4140

OREGON
Department of Consumer & Business Services
Division of Finance and Corporate Securities
21 Labor and Industries Building
Salem, Oregon 97310
503-378-4140

RHODE ISLAND
Department of Business Regulation
Securities Division
1511 Pontiac Avenue
John O Pastore Complex 69-1
Cranston, RI 02920-4407
(401) 462-9527

FLORIDA
Division of Securities
Florida Department of Agriculture and
Consumer
P. O. Box 6700
Suite 7200
Tallahassee, FL 32314-6700
850-410-3754

SOUTH DAKOTA
Division of Securities
445 East Capital Avenue
Pierre, South Dakota 57501-3185
605-773-4823

TEXAS
Secretary of State
P. O. Box 12697
Austin, Texas 78711-2697
1019 Brazos
Austin, Texas 78701
512-463-5701

Registered Agent of Franchisor
(for Wisconsin)
Culinary Management Services, Inc.
Mark Traaseth
217 Starr Wood
Hudson, WI 54016
715-577-2411

VIRGINIA
State Corporation Commission
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
804-371-9051

WASHINGTON
Division of Financial Institutions
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

WISCONSIN
Division of Securities
Dept of Financial Institutions
PO Box 1768
Madison, WIS 53701
(608) 266-2801

EXHIBIT 2 TO THE DISCLOSURE DOCUMENT

LIST OF CURRENT FRANCHISEES

List of Current Franchisees

Adam Brantman	Iowa City, IA	Falbos Forever, LLC	319-337-9090
Andrew Ahrens	Iowa City, IA	Falbos Forever, LLC	319-337-9090
Jeremy P. Noel	Dubuque, IA	Blaney Corporation, LLC	563-581-4968
Cody Davis	Monona, WI	JAC Productions, LLC	608-843-9803
Tina Berray	Sun Prairie, WI	Tina Pizza, LLC	(608) 217-0119
Keith Maggit	Madison, WI	K & A Foods, LLC	608-204-2723
Jordan Wagner	Hartland, WI	AJAR Ventures, LLC	608-513-3711
Keith Maggit	Madison, WI	KRJJ Foods, LLC	608-204-2723

EXHIBIT 3 TO THE DISCLOSURE DOCUMENT

LIST OF FORMER FRANCHISEES

List of Former Franchisees

Randall Marsch	St. Cloud, FL	TRR Marsch, LLC	407-319-4928
Luke Mescher	Fort Collins, CO	Hunab Productions, LLC	303-946-5539
Brian Junge	Des Moines, IA	Falbosdsm, LLC	unknown
Aaron Schlegelmilch	Madison, WI	Soblaf Bros, LLC	608-438-6108
Matt Jenson	Madison, WI	DJ MC LLC	608-216-4741
Barry Golinvaux	Davenport, IA Iowa City, IA Coralville, IA	BMG Pizza, LLC	563-249-3188
Hani Barazi	Sugar Land, TX		281-240-4779
David Hegg	Sun Prairie, WI	davidnhegg@gmail.com	(608) 347-4344
Jason Caylor	Iowa City, IA	Caylor Investments, Inc.	319-321-0681
Jason Caylor	Coralville, IA	Caylor Investments, Inc.	319-321-0681
Adam Brantman	Coralville, IA	Falbos Forever, LLC	319-248-9090
Andrew Ahrens	Coralville, IA	Falbos Forever, LLC	319-248-9090
Kelley McClane	Shorewood, WI	True Light Promotions	608-577-7499
Ted Speerschneider	Middleton, WI	Bell Pizza Middleton, Inc. Red's Pizza	608-52-93199

*Jason Caylor deceased 2017

*St Cloud, FL and Fort Collins, CO were prior to Culinary's purchase of franchisor rights

*Red's Pizza was prior to Culinary's purchase of franchise rights

EXHIBIT 4 TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT (WITHOUT ATTACHMENTS)

EXHIBIT 5 TO THE DISCLOSURE DOCUMENT

Non-Disclosure and Non-Competition Agreement

NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

This Non-Disclosure and Non-Competition Agreement (hereafter the "Agreement") is given this ___ day of _____, _____ by the undersigned in connection with the execution of the Franchise Agreement dated _____, _____ (the "Franchise Agreement") between Culinary Management Services, Inc. (Franchisor) and _____ ("Franchisee").

In consideration of, and as an inducement to, Franchisor's execution of the Franchise Agreement, each of the undersigned and any other parties who sign counterparts of this Agreement, acknowledge the recipes, products, know how, processes, shop rights, shop secrets, customer lists and information, supplier lists and information, manuals, drawings, plans, designs, specifications, technologies, and the information regarding the owning, managing, and running a Falbo Bros Pizzeria are valuable and necessary assets which Franchisor must retain in confidence and withhold from disclosure and availability to others.

Each Franchisee acknowledges he or she has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Agreement and the undertakings of Franchisee in the Franchise Agreement are in partial consideration for, and a condition to, Franchisor's willingness to enter into the Franchise Agreement, and that Franchisor would not have entered into the Franchise Agreement without the execution of this Agreement and such undertakings by each Franchisee.

Knowing the significance and important of the above, Franchisee agrees that during their association with Franchisor, Franchisee will not engage or participate, directly or indirectly, as an employee, investor, stockholder, or principal, or in any other manner, in any restaurant which specializes in pizza or other menu items the same as or similar to those menu items served by Falbo Bros. Pizzeria®. This restriction shall also apply for two (2) years after termination of such association, for any reason, but after the two year termination shall apply only within five (5) miles of any Falbo Bros. Pizzeria® Restaurant, which is franchised, owned, operated, or managed by Culinary Management Services, Inc. or its affiliates or assigns.

Franchisee also agrees not to divulge any recipes, trade secrets, or methods of operation to anyone, and further agrees that to do so would cause irreparable harm to Franchisor and any "Falbo Bros. Pizzeria®" owned, operated, and/or franchised restaurants. Franchisee understands that damages for any violation of this Agreement may be sought by the Franchisor and/or any Franchisee of same. Franchisee understands the recipes, products, know how, processes, shop rights, shop secrets, customer lists and information, supplier lists and information, manuals, drawings, plans, designs, specifications, technologies, and the information regarding the owning, managing, and running a Falbo Bros Pizzeria are all proprietary to Franchisor and each alone or collectively are considered to be confidential information under this Agreement.

If Franchisor is required to enforce this Agreement in any administrative, judicial or arbitration (including mediation, arbitration, or other alternative dispute resolution) proceeding, and prevails in such proceeding, Franchisor will be entitled to reimbursement of its costs and expenses, including, but not limited to, legal and accounting fees and costs, administrative, arbitrator's (or other hearing officer's fees) and expert witness fees, costs of investigation and

proof of facts, court costs, other expenses of an administrative, judicial or arbitration proceeding and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Agreement, the Franchisee will reimburse Franchisor for any of the above-listed costs and expenses incurred by it.

Franchisee further agrees that any recipes, methodology, ideas, or suggestions for changes to or for improvement of Falbo Bros. Pizzeria® submitted to Falbo Bros or any Franchisee or any employee or agent thereof shall become the sole property of Falbo Bros and that Franchisee is not entitled to any compensation whatsoever for said recipes, methodology, ideas, or suggestions for changes to or for improvement of the Falbo Bros. Pizzeria® Franchise System.

This Agreement and each party's obligations hereunder shall be binding on the representatives, successors, and assigns of such party and shall inure to the benefit of the representatives, assigns, and successors of the other party hereto. Neither party shall have any right to assign its rights under this Agreement whether voluntary or by operation of law, without the prior written consent of the other party.

Each party acknowledges that the unauthorized disclosure, use or misappropriation of the other party's confidential information could cause irreparable harm and significant injury that may be difficult to ascertain. Accordingly, each party agrees that the Franchisor (representatives, successors, and assigns) shall have the right to seek an immediate injunction prohibiting further disclosure, use and/or misappropriation of such confidential information, or unauthorized competitive activities, and enjoining any breach or threatened breach of this Agreement in addition to any other remedies to which it may be entitled.

This Agreement constitutes the agreement of the parties with respect to the subject matter hereof and shall be read collectively with the Financial Disclosure Document and Franchise Agreement, with this agreement being considered to supersede all prior oral or written agreements or understandings with respect thereto. If any conflict arises between this Agreement, the Financial Disclosure Document, and the Franchise Agreement, this Agreement shall control. This Agreement shall only be modified in writing by a document signed by both parties hereto.

Either Party shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and is made solely for the purpose of reporting or investigating a suspected violation of law. The same immunity will be provided for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the individual's attorney and use of the trade secret information in the court proceeding if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

IN WITNESS WHEREOF, each Franchisee now signs and delivers this Agreement effective as of the date of the Franchise Agreement, regardless of the actual date of signature.

FRANCHISOR:

FRANCHISEES:

By: _____
Name: _____

By: _____
Name: _____

By: _____
Name: _____

EXHIBIT 6 TO THE DISCLOSURE DOCUMENT

OWNER'S GUARANTY

OWNER'S GUARANTY

This Owner's Guaranty (the "Guaranty") is given this ___ day of _____, _____ by the undersigned in connection with the execution of the Franchise Agreement dated _____, _____ (the "Franchise Agreement") between Culinary Management Services, Inc. (Franchisor) and _____ ("Franchisee").

In consideration of, and as an inducement to, Franchisor's execution of the Franchise Agreement, each of the undersigned and any other parties who sign counterparts of this Guaranty (individually, a "Guarantor" and collectively, the "Guarantors") hereby personally and unconditionally guarantee to Franchisor and its successors and assigns, that Franchisee will punctually perform all of its obligations and pay all amounts due under the Franchise Agreement (including, without limitation, amounts due for initial franchise fees, royalties, advertising, and purchases of equipment, materials, and supplies) or otherwise owing by Franchisee to Franchisor or its affiliates.

Each Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty and the undertakings of Franchisee in the Franchise Agreement are in partial consideration for, and a condition to, Franchisor's willingness to enter into the Franchise Agreement, and that Franchisor would not have entered into the Franchise Agreement without the execution of this Guaranty and such undertakings by each Guarantor.

Each Guarantor waives:

- (i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings;
- and
- (ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and
 - (iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and
 - (iv) any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability; and
 - (v) all rights to payments and claims for reimbursement or subrogation which he or she may have against Franchisee arising as a result of his or her execution of and performance under this Guaranty (including by way of counterparts); and
 - (vi) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

- (i) his or her direct and immediate liability under this Guaranty will be joint and several not only with Franchisee, but also among the Guarantors; and
- (ii) he or she will render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so; and

(iii) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and

(iv) such liability will not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Franchise Agreement or by any extension of time, credit or other indulgence that Franchisor may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable throughout the term of the Franchise Agreement and for so long thereafter as there are any monies or obligations owing by Franchisee to Franchisor or its affiliate under the terms of the Franchise Agreement; and

(v) Franchisee's written acknowledgment, accepted in writing by Franchisor, or the judgment of any court or arbitration panel of competent jurisdiction establishing the amount due from Franchisee will be conclusive and binding on the undersigned as Guarantors.

Each Guarantor individually, jointly and severally, also makes all of the covenants, representations, warranties and agreements Franchisee set for in the Franchise Agreement and is obligated to perform thereunder, including, without limitation, under Sections _____ (which include, among other things, the MEDIATION OF DISPUTES and WAIVERS OF JURY TRIAL RIGHTS AND PUNITIVE DAMAGES).

If Franchisor is required to enforce this Guaranty in an administrative, judicial or arbitration proceeding, and prevails in such proceeding, Franchisor will be entitled to reimbursement of its costs and expenses, including, but not limited to, legal and accounting fees and costs, administrative, arbitrator's and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of an administrative, judicial or arbitration proceeding and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors will reimburse Franchisor for any of the above-listed costs and expenses incurred by it.

IN WITNESS WHEREOF, each Guarantor now signs and delivers this Guaranty effective as of the date of the Franchise Agreement, regardless of the actual date of signature.

GUARANTORS:

By: _____

Name: _____

By: _____

Name: _____

EXHIBIT 7 TO THE DISCLOSURE DOCUMENT

FALBO BROS PIZZERIA FRANCHISE APPLICATION

FALBO BROS PIZZERIA FRANCHISE APPLICATION

1. Will you have any partners in the business?

2. If Yes, please identify all partners:

Names	Addresses	Phone
-------	-----------	-------

3. Do the partners intend to be active in the Franchise?

4. Have you ever owned or been a partner in a business?

5. If Yes, please provide details and include any remaining liabilities:

6. Have you or any of your family ever worked in the restaurant industry? If Yes, please explain:

7. Are there currently, or have there ever been, any lawsuits against you? If Yes, please explain:

8. Have you ever been convicted of a crime (except traffic misdemeanors)? If Yes, please explain:

9. Please tell us why you are looking for a business opportunity?

10. Where did you hear about Falbo Bros Pizzeria?

11. What do you like about our concept?

12. What does “franchising” mean to you?

13. In your opinion, how would you describe the roles of the franchisor and franchisee in a franchise system?

14. What are your goals and objectives for the next five years?

15. If you are awarded a franchise, what would you do to make it successful?

16. Do you feel comfortable owning a business such as Falbo’s Pizzeria where the franchise system has recently been purchased and is expected to grow?

17. Please list your market preferences for locations:

18. When will you be available to open the business?

19. When will you be available for training?

20. Do you plan to devote full time to this business?

21. Will your spouse be active in the franchise?

PERSONAL DATA

FULL NAME:

DATE OF BIRTH:

ADDRESS:

CITY, STATE, ZIP CODE:

PRIMARY PHONE:

BEST TIME TO CALL:

EMAIL ADDRESS:

NUMBER OF DEPENDENTS:

U.S. CITIZEN:

EDUCATION HISTORY:

BUSINESS EXPERIENCE

Please provide your last five years of work experience:

COMPANY:

LOCATION:

DUTIES:

DATES:

ACCOMPLISHMENTS:

COMPANY:

LOCATION:

DUTIES:

DATES:

ACCOMPLISHMENTS:

COMPANY:

LOCATION:

DUTIES:

DATES:

ACCOMPLISHMENTS:

COMPANY:

LOCATION:

DUTIES:

DATES:

ACCOMPLISHMENTS:

FALBO BROS APPLICANT CONFIDENTIAL FINANCIAL STATEMENT

ASSETS:

Bank Accounts: _____ .00

Accounts/Notes Receivable:

_____ .00

Stocks/Mutual Funds:

LIABILITIES:

Mortgage Amt: _____ .00

Accounts/Notes Payable: _____ .00

Taxes Payable: _____ .00

Other Liabilities: _____ .00

_____.00
Real Estate: _____ .00
Automobiles: _____ .00
Other Assets: _____ .00

Total Assets: _____ .00
Net Worth: _____ .00

Total Liabilities: _____ .00

ANNUAL INCOME:

Salary: _____ .00
Spouse Salary: _____ .00
Bonus & Commission: _____ .00
Dividend Income: _____ .00
Real Estate Income: _____ .00
Other Income: _____ .00

Total Income: _____ .00
Annual Net Cash Flow: _____ .00

ANNUAL EXPENSES:

Mortgage/Rent Expense: _____ .00
Notes Payable: _____ .00
Accounts Payable: _____ .00
Income Taxes: _____ .00
Insurance: _____ .00
Other Expenses: _____ .00

Total Expenses: _____ .00

Credit References: Two Are Required:

Company:

Contact:

City/State

Phone:

Email:

Company:

Contact:

City/State

Phone:

Email:

Total Liquid Capital/Cash Available to Invest in Falbo Bros: _____ .00

Have you ever gone through bankruptcy or had a judgment against you?

Are any assets pledged or debts secured except as shown?

Have you made a will?

Are you a guarantor, co-maker, or endorser for any debt or an individual, corporation, or partnership?

Do you have any outstanding letters of credit or surety bonds?

Do you have any suits or legal actions pending against you?

Are you contingently liable on a lease or contract?

Are any of your tax obligations past due?

List any contingent liabilities:

To Whom Payable	Maximum Liability	Collateral or Unsecured	How Payable
_____	_____	_____	___ per ___
_____	_____	_____	___ per ___

CONSENT TO VERIFY CREDIT REFERENCES:

The signature below authorizes Culinary Management Services, Inc., d/b/a Falbo Bros Pizzeria to obtain verification of all information provided in this personal financial statement. The undersigned also authorizes release of personal information to Culinary Management Services and its affiliates by all financial institutions, credit bureaus, other public and private reporting organizations, government regulatory entities, employers and other references in connection with this application.

Signed: _____ SSN: _____

Print Name: _____ Date: _____

Issued Date: February 6, 2023
Culinary Management Services, Inc.

Note: If you have a recently prepared resume highlighting job experience or a recently prepared Personal Financial Statement, please contact us to see if we can consider those equivalents.

PLEASE NOTE

APPLICANT MUST SUBMIT A COPY (FRONT AND BACK) OF CURRENT STATE ISSUE DRIVER'S LICENSE OR IDENTIFICATION WITH THIS APPLICATION.

EXHIBIT 8 TO THE DISCLOSURE DOCUMENT

RECEIPT

Issued Date: February 6, 2023
Culinary Management Services, Inc.

RECEIPT

This Financial Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

IF CULINARY MANAGEMENT SERVICES, INC. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the financial relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration, whichever comes first.

IF CULINARLY MANGEMENT SERVICES, INC. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington DC 20580 and any applicable state agency (as listed in Exhibit 1 to this disclosure document).

The franchisor is Culinary Management Services, Inc., located 6867 Boudin Street NE, Suite 2, Prior Lake, MN 55372. Its telephone number is (651) 303-4834.

We authorize the respective state agencies identified on Exhibit 1 to receive service of process for us if we are registered in the particular state.

Issuance Date: February 6, 2023.

The name, principal business address, and telephone number of the franchise sellers offering the franchise are:

Name:	Principal Business Address:	Telephone No.
Stuart P. Bell, President and Owner of Culinary Management Services, Inc. (a Minnesota company)	6867 Boudin Street NE Ste 2 Prior Lake, MN 55372	(651) 303-4834

ACKNOWLEDGEMENT

I received a disclosure document dated February 6, 2023. The disclosure document included the following exhibits:

Issued Date: February 6, 2023
Culinary Management Services, Inc.

- Exhibit 1 List of State Agencies & Agents for Service of Process
- Exhibit 2 List of Current Franchisees
- Exhibit 3 List of Former Franchisees
- Exhibit 4 Franchise Agreement (with attachments)
- Exhibit 5 Nondisclosure and Noncompetition Agreement
- Exhibit 6 Owner's Guaranty
- Exhibit 7 Falbo Bros Pizzeria Franchise Application
- Exhibit 8 Receipt

RETURN THIS RECEIPT TO US AT:

Falbo Bros. Pizzeria
 c/o William L. Bernard, Esq.
 6867 Boudin Street NE, Suite 2
 Prior Lake, MN 55372
 Tel: (651) 303-4834
 Email: bbernard@stonegate-foods.com

Name of Entity that Received this FDD:

Name of Entity that Received this FDD:

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exhibit 9

Balance Sheet and Profit & Loss Statement

10:47 AM
02/06/23
Accrual Basis

Culinary Management Services Inc
Balance Sheet
As of December 31, 2022

	<u>Dec 31, 22</u>
ASSETS	
Current Assets	
Checking/Savings	
Old National Bk/Klein/PL St Bk	83,357.32
Total Checking/Savings	<u>83,357.32</u>
Accounts Receivable	
11000 - Accounts Receivable	12,999.38
Total Accounts Receivable	<u>12,999.38</u>
Other Current Assets	
Case Security on PL Office	2,200.00
Due from Bell Cust. Homes	155.00
Due from Bell Blizzard	45,000.00
Note Rec - Bell Pizza Middleton	15,774.51
Note Rec - Bell Resorts	4,709.31
Note Rec - N Sherman POS	4,510.90
Note Rec - Nicholas White (car)	26,442.96
Note Rec - Park St/Madison POS	5,949.16
Prepaid Insurance	2,587.52
Total Other Current Assets	<u>107,329.26</u>
Total Current Assets	<u>203,685.96</u>
Fixed Assets	
Auto - Dodge Challenger - Austi	28,543.52
Accumulated Depreciation	-24,783.85
Total Fixed Assets	<u>3,759.67</u>
Other Assets	
Goodwill Falbo	200,000.00
Rudolph's License	100,000.00
Accumulated Amortization	-81,111.20
Total Other Assets	<u>218,888.80</u>
TOTAL ASSETS	<u><u>426,334.43</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	10,121.48
Total Accounts Payable	<u>10,121.48</u>

10:47 AM
02/06/23
Accrual Basis

Culinary Management Services Inc
Balance Sheet
As of December 31, 2022

	<u>Dec 31, 22</u>
Credit Cards	
Capital One Spark 1.5%	13,521.51
Total Credit Cards	<u>13,521.51</u>
Other Current Liabilities	
Accrued Payroll	63,270.93
Total Other Current Liabilities	<u>63,270.93</u>
Total Current Liabilities	<u>86,913.92</u>
Total Liabilities	86,913.92
Equity	
Common Stock	100.00
Distributions	-58,458.00
Paid in Capital	869,945.00
Retained Earnings	-158,220.63
Net Income	-313,945.86
Total Equity	<u>339,420.51</u>
TOTAL LIABILITIES & EQUITY	<u><u>426,334.43</u></u>

10:47 AM
 02/06/23
 Accrual Basis

Culinary Management Services Inc
Profit & Loss
 January through December 2022

	Jan - Dec 22
Ordinary Income/Expense	
Income	
Brokerage Income	33,783.25
Franchise Fees - Coralville -JA	5,077.56
Franchise Fees - Dubuque -JA	13,250.51
Franchise Fees - Hartland - WI	20,336.26
Franchise Fees - Iowa City - IA	17,530.17
Franchise Fees - Monona - WI	3,375.70
Franchise Fees - N Sherman - WI	5,449.28
Franchise Fees - Park St - WI	12,465.55
Franchise Fees - Shorewood - WI	6,478.61
Franchise Fees - Sun Prairie-WI	1,582.19
Interest	1,608.66
Interest - Falbo	1,768.76
Management Fee	513,000.02
Rudolph's License Fee	33,000.00
Total Income	668,706.52
Gross Profit	668,706.52
Expense	
1099 - Jason Schleip	4,058.33
Advertising & Promotion	1,615.19
Amortization Expense	13,333.44
Automobile	886.32
Bank Fees	565.00
Computer repair & maintenance	5,261.38
Depreciation Expense	2,506.44
Dues/Membership/Subscriptions	147.15
Insurance	2,672.62
Internet/Telephone	3,975.44
Meals & Entertainment	2,903.11
Miscellaneous	0.00
Office Supplies	3,922.75
Payroll-Payroll Taxes	60,451.31
Payroll-Wages & Salaries	773,902.44
Payroll Processing	4,565.66
Postage/Delivery	603.43
Professional Fees	59,060.67
Rent	39,563.40
Supplies	1,224.66
Taxes	220.00

10:47 AM
02/06/23
Accrual Basis

Culinary Management Services Inc
Profit & Loss
January through December 2022

	Jan - Dec 22
Travel/Lodging	1,010.36
Utilities	303.28
Total Expense	982,662.38
Net Ordinary Income	-313,945.86
Net Income	-313,945.86