

FRANCHISE DISCLOSURE DOCUMENT

ROSATI'S PIZZA ENTERPRISES, INC. (A Florida Corporation)
10924 Legacy Gateway Circle, Unit 104
Fort Myers, FL 33913
(847) 915-9174
info@myrosatis.com or info@rosatisfranchising.com
www.MyRosatis.com, and www.RosatisFranchising.com



The franchise described is known as “Rosati's Pizza”® (“Rosati's”). Rosati's is involved in the business of training people through two comprehensive courses to open their own business involving a pizzeria restaurant and allowing select trainees to become Rosati's Franchisees. Rosati's Franchisees provide a pizzeria restaurant featuring pizza and casual Italian food.

The total investment necessary to receive the initial pizza industry business and industry training as well as the initial required opening expenses for the select trainees that become a Rosati's Single Unit Franchised Business is \$147,200.00 to \$500,000.00 for a Carryout / Delivery location or \$275,000 to \$1,249,000.00 for a Sports Pub location. The ~~Initial Fees~~ includes the ~~Ten Thousand Dollars (\$10,000.00)~~ Site Selection and Real Estate Course Training Course Fee, ~~that must be paid to Us for the Site Selection and Real Estate Training Manual and associated Course Training;~~ and ~~Twenty Five Thousand Dollars~~ the (\$25,000.00) for the Business Establishment Training Course Fee. There is not an Initial Franchise Fee due when signing the Ongoing Franchise Agreement. ~~that must be paid to Us for the Business and Industry Training Manual and associated training to open in Your chosen Territory.~~

We offer multiple units to select franchisees. If approved, You will pay a Development Fee of \$17,500.00 for all additional units that You are agreeing to open over time. The total investment necessary to begin operation of a 3-pack or a 5-Pack Rosati's Area Development Franchised Business is \$182,200.00 to \$1,319,000.00 for any combination of the Carryout/Delivery or Sports Pub locations. This includes the Initial Fees for the first unit. ~~T and the Development Fee of Seventeen Thousand Five Hundred Dollars (\$17,500.00) for all additional units that You are agreeing to open over time.~~ The Development Fee must be paid to Us at the time You sign the first Ongoing Franchise Agreement.

This Disclosure Document summarizes certain provisions of Your Ongoing Franchise Agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before You sign a binding agreement with or make any payment to Us or an affiliate in connection with the proposed franchise sale. **Note however, that no governmental agency has verified the information contained in this document.**

You may wish to receive Your disclosure document in another format that is more convenient for You. To discuss the availability of disclosures in different formats, contact Darren Schmitt at 10924 Legacy Gateway Circle, Unit 104, Fort Myers, FL 33913 or email at dschmitt@therosatigroup.com or telephone him at 815 451-2146.

The terms of Your contract will govern Your franchise relationship. Do not rely on the Disclosure Document alone to understand Your contract. Read all of Your contract carefully. Show Your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help You make up Your mind. More information on franchising, such as “*A Consumer's Guide to Buying a Franchise*,” which can help You understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, and/or litigation only in Texas. Out-of-state mediation, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, or litigate with the franchisor in Texas than in your own state.
- ~~2. **The Ongoing Franchise Agreement requires that Texas law governs the agreement, and this law may not provide the same protections and benefits as local law. You may want to compare these laws.**~~
- ~~3.2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails. ~~Your spouse and the spouse of all owners, if franchisee is an approved business entity, must sign a spousal consent, making the spouse jointly and severally liable for the obligations under the Ongoing Franchise Agreement, placing the spouse's own personal assets at risk.~~~~
- ~~4. **Franchise Brokers or Referral Sources.** If you do not first mediate disputes with the franchisor in good faith, as per the Ongoing Franchise Agreement, then you may lose the right to attorney's fees in the event that you win the dispute.~~
3. We may use the services of one or more franchise brokers or referral sources to assist us in selling our franchise. If applicable in your state, a franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should make sure to do your own investigation of the franchise.
- ~~5.4. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.~~

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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Other than the items listed above, Rosati's or their predecessor, parent or affiliate has no other pending lawsuits, an administrative criminal or material civil action alleging a violation of franchise, antitrust or securities laws during the last 10 (ten) years.

ITEM 4. BANKRUPTCY

No Bankruptcy information is required to be disclosed in this Item.

ITEM 5. INITIAL FEES

There is no Initial Franchise Fee due when signing the Ongoing Franchise Agreement. The Franchise Fee is Zero Dollars (\$0.00); however, if You choose to take Our courses, You will have initial course fees due prior to signing the Ongoing Franchise Agreement.

If You choose to enroll in Our Training Classes, which are only offered in combination, You must pay Us training course fees totaling Thirty-Five Thousand Dollars (\$35,000.00) by wire transfer, for both course certifications, which include Business Establishment Training Course Fee, and the Site Selection and Real Estate Training Course Fee (the "Initial Fees").

You will pay these Initial Fees in two installments; the first installment is the Business Establishment Training Course Fee of Twenty-Five Thousand Dollars (\$25,000.00) which is due when executing Your Business Establishment Training Course Agreement. (unless modified by a State Addendum, attached as Exhibit G to this Disclosure Document.) The second installment is for the Site Selection and Real Estate Training Course Fee of Ten Thousand Dollars (\$10,000.00), which is due at the signing of the Site Selection and Real Estate Training Course Agreement. These Fees are fully earned upon signing the associated Agreement which enrolls You in the Course and are therefore one hundred percent (100%) non-refundable. Upon successful completion of the Business Establishment Training Course and the Site Selection and Real Estate Training Course, You may apply and We will grant You the right to enter into an Ongoing Franchise Agreement with Us. There is no additional upfront payment to Us for the Ongoing Franchise Agreement. All fees are fully earned upon signing their applicable Agreement, and thus are 100% non-refundable.

Establishment Agreement

The Business Establishment Training Course Fee of Twenty-Five Thousand Dollars (\$25,000.00), discussed above, is due to Us in a lump sum when You sign the Business Establishment Training Course Agreement. (unless otherwise stated in the State Addendum attached.) The fee is payment, in part, for expenses incurred by Us in furnishing assistance and a copy of Our Business Establishment Manual that contains topics such as: establishing a business, legal entity types, accounting, marketing, POS systems, start-up timetable and preparation for opening information, including among other things, securing required accounts, licenses and permits, décor specifications and required fixtures, furnishings, equipment, supplies, and potential suppliers (see Exhibit C to review the Business Establishment Training Course Agreement). You will also agree to enter into and sign the Site Selection and Real Estate Training Course Agreement with Us (see Exhibit D to review the Site Selection and Real Estate Training Course Agreement), either simultaneously with or after completing the Business Establishment Training Course.

Site Selection and Real Estate Training Course Agreement

After entering into an Establishment Agreement, for the Business Establishment Course, You and Rosati's will enter into the Site Selection and Real Estate Training Course Agreement. Upon payment of the Site Selection and Real Estate Training Course Fee, You will be provided with a copy of Our "Site Selection and Real Estate Manual" that contains site selection information, including among

territory or transfer territory smaller than the then-current territory (Ongoing Franchise Agreement Sections 4.2 and 18.2).

ITEM 13. TRADEMARKS

Registrations and Applications

We grant Our Franchisees the right to operate Rosati's Businesses under the name Rosati's Pizza which is the principal Mark used to identify Our System. You may also use any other current or future Mark to operate Your Franchised Business that We designate in writing, including the logo on the front of this Disclosure Document and the trademarks listed below. By "Mark," We mean any trade name, trademark, service mark or logo used to identify Rosati's Businesses. As of the date of this Disclosure Document, Rosati's Franchise Systems, Inc., ("RFSI") has filed the registration, and all required Affidavits for the following Marks on the Principal Register of the U.S. Patent and Trademark Office ("USPTO"):

Mark	International Classification	Registration Number	Filing Date
Rosati's Pizza Filed on the principal register of the United States Patent & Trademark Office	043	1,906,101	July 18, 1995
 Filed on the principal register of the United States Patent & Trademark Office	043	1,934,683	November 14, 1995

The Marks above are owned by RFSI. Under a September 1998 license agreement between RFSI and 10 Rosati family members, RFSI granted such individuals a perpetual, nonexclusive license to use and sublicense the use of the Marks. Certain of those family members are our shareholders, and on February 28, 2022, Our shareholders granted Us a license to use the Marks and to sublicense them to Our franchisees. All required affidavits and renewals have been filed. We and RFSI claim common law rights in other marks and logos developed by Us or RFSI.

In 1998, RFSI licensed certain Rosati family members the right to use the Rosati's Pizza trademark. Some of those Rosati family members formed another Franchisor, Rosati's Franchising, Inc. ("RFI"), who sold Rosati's Pizza restaurant franchises. Other Rosati family members own, license or franchise their own Rosati's Pizza restaurants independently. RFI has offered Rosati's Pizza restaurant franchises since 2006 and continues to do so.

Rosati's, as licensee to all right, title and interest to the Marks, except as described above, claims common law rights to the Marks and trade dress including product names, business advertising materials and photographs. All necessary applications have been filed with respect to the federal registrations. You are authorized to use the Marks appearing above, and each Mark subsequently developed and designated by Rosati's, in the operation of Your Rosati's Business.

Agreements

Except as stated above, there are no agreements currently in effect that significantly limit Our rights to use or to license the use of the Marks in any manner material to the franchise system.

Infringing Uses

Other than the above stated additional licensees who franchise. We know of no infringing or prior superior uses that could materially affect the use of the Marks in this state or any other state in which the Franchised Business is to be located.

Your Rights and Obligations with Respect to the Proprietary Property Including the Proprietary Marks

All usage of the Marks by You and any goodwill established through Your use will exclusively benefit Us. You will not receive any rights to the Marks other than the non-exclusive right to use them in the operation of Your Franchised Business. You may only use the Marks in accordance with Our standards, operating procedures and specifications. Any unauthorized use of the Marks by You is a breach of the Ongoing Franchise Agreement and an infringement of Our rights in the Marks. You may not contest the validity or ownership of the Marks, including any Marks that We license to You after You sign the Ongoing Franchise Agreement. You may not assist any other person in contesting the validity or ownership of the Marks.

We will protect You against claims of infringement or unfair competition arising from Your use of any Marks provided (a) You immediately notify Us of any apparent infringement of or challenge or claim to Your use of any Marks, (b) You are in complete compliance with Your Ongoing Franchise Agreement; (c) You allow Us to take whatever action We deem appropriate in these situations. This means We have exclusive control over any settlement or proceeding concerning any Mark; and (d) You agree to be a witness in any legal, mediation or arbitration proceeding on Our behalf. You must take any actions that, in the opinion of Our counsel, may be advisable to protect and maintain Our interests in any proceeding or to otherwise protect and maintain Our interests in the Marks. You may not communicate with any person other than Us and Our counsel regarding any infringements, challenges or claims; however, You may communicate with Your own counsel at Your own expense.

You must use the Marks as the sole trade identification of the Franchised Business; however, You may not use any Mark or part of any Mark as part of Your business entity name in any modified form. You may not use any Mark in connection with the sale of any unauthorized products or services or in any other manner that We do not authorize in writing. You must obtain a fictitious or assumed name registration if required by Your state or local law.

You must notify Us in writing before applying for Your own trademark or service mark registrations, whether state or federal. You must not register or seek to register as a trademark or service mark, either with the USPTO or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any of Our Marks.

You may not advertise on the Internet using or establish, create or operate an Internet site or website using any domain name containing, the words “Rosati's Pizza Enterprises”, “Rosati's”, “RPE” or any variation thereof without Our prior written consent.

We have established and will maintain from time to time a website (the “Website”). We have discretion and control over the design and content of the Website. We may, at Our sole option, from time to time, without prior notice to You: (i) change, revise or eliminate the design, content and functionality of the Website; (ii) make operational changes to the Website; (iii) change or modify the

- * Length of time the restaurant has been in operation at the location
- * How closely the Rosati's Pizza System, including recipes, are followed
- * Quality of customer service
- * Quality of products prepared
- * Size of premises and amount of seating
- * Prices charged to customers
- * Average time to deliver product to customer
- * Location, visibility and accessibility of the restaurant
- * Local demographic factors, including population density and income
- * Local competition
- * Marketing and promotional efforts of the owner

Restaurant Comparison of 2023 vs. 2022 Gross Sales

The Franchise system showed a five percent (5%) increase of the number of units meeting or exceeding the average Gross Sales over 2022, and an increase of \$935 in Median Gross Sales.

Average Gross Sales of Franchised Carryout / Delivery Restaurants for 2022

The following table presents Gross Sales data for the 77 franchised Carryout/Delivery Restaurants that were open and operating for all of the 2022 year. As of December 31, 2022, there were 123 franchised Rosati's Pizza restaurants open and operating, of which 82 franchised Carryout/Delivery Restaurants were open and operating, but we have excluded 5 franchised Carryout/Delivery Restaurants from the data presented below because they had not been in operation for all 12 months of 2022, either because they opened during or permanently ceased operations during, the 2022 calendar year.

Average Gross Sales	Units Meeting or Exceeding Avg	Range of Gross Sales	Median Gross Sales
\$687,472	28 (36%)	\$90,304 - \$1,957,008	\$581,979

Some outlets have sold earned this amount. Your individual results may differ. There is no assurance that you'll sell earn as much.

Gross Sales will vary. In particular, the Gross Sales of Your Franchised Business will be directly affected by many factors, such as: (a) geographic location; (b) competition from other similar businesses in Your area; (c) sales and marketing effectiveness based on market saturation; (d) Your vendors and service pricing; (e) vendor pricing for materials, supplies, and inventory; (f) labor costs; (g) ability to generate clients; (h) client loyalty; and (i) employment pricing; and (j) tax conditions in the market. Any such factor may differ materially from those that may exist for a franchise offered to You or from other corporate or Franchisee results.

Importantly, You should not consider the Gross Sales presented above to be the actual potential Gross Sales that You will realize, these are actual numbers that other owners have achieved. We do not represent that You can or will attain those or similar revenues or margins or any particular level of Gross Sales. We do not represent that You will generate income, which exceeds the initial payment for or investment in, Your franchise.

Based on all of the matters mentioned in this Item, We recommend that You make Your own independent investigation to determine whether the franchise may be profitable and worth the risk. You should use this information only as a reference in conducting Your analysis and in preparing Your own

projected income statements and cash flow statements. We strongly suggest that You consult Your financial advisor or personal accountant concerning financial projections; federal, state and local income taxes; and any other applicable taxes that You may incur in owning and operating a franchised business.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request. Upon Your reasonable request, We will make available to You the substantiating data used in preparing the projected financial results presented.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Exhibit B provides a complete list of Our Franchisees. If You become a franchisee, Your contact information may be disclosed to other buyers during and when You leave the franchise system. The following tables reflect the status of Our Franchisees.

Table No. 1
**Systemwide Outlet Summary
 For Years 2021 to 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	0	0
	2022	0	123*	+123
	2023	123	126	+3
Affiliate-Owned	2021	0	0	0
	2022	0	2	+2
	2023	2	1	-1
Total Outlets	2021	0	0	0
	2022	0	125	+125
	2023	125	127	+2

*Note: The Total number of Franchisees are listed in Exhibit B attached. In February 2022, 123 franchise agreements for open Rosati’s Pizza Restaurants were assigned from RFI to Us.

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules 2860.0100 through 2860.9930, the Franchise Disclosure Document for Rosati's Pizza Enterprises, Inc., for use in the State of Minnesota shall be amended as follows:

1. Minnesota Statute 80C.21 and Minnesota Rule 2860.4400J prohibit Us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Ongoing Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction;
2. With respect to franchises governed by Minnesota law, the Rosati's Pizza Enterprises, Inc. will comply with Minnesota Statutes Sec. 80C.14, Subs, 3,4, and 5 which require, except in certain specified cases, that a Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Ongoing Franchise Agreement;
3. Minnesota Rule 2860.4400D prohibits Us from requiring You to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01-80C.22; and
4. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commission of Commerce are met independently without reference to this Addendum to the Disclosure Document.
5. Minnesota Statute 604.113 states a cap of \$30.00 on services charges for non-sufficient funds fee, that provision will override the fee due in the Ongoing Franchise Agreement.
- 4.6. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.