

FRANCHISE DISCLOSURE DOCUMENT

**A&W RESTAURANTS, INC.
A MICHIGAN CORPORATION
1648 MCGRATHIANA PARKWAY, SUITE 380
LEXINGTON, KENTUCKY 40511
(855) 766-8232**

REGISTERED IN LOS ANGELES OFFICE

DEC 18 2013

jbanks@awrestaurants.com; www.awrestaurants.com

**ALL AMERICAN FOOD®**

The franchisee will operate a quick-service restaurant featuring A&W® Root Beer and other approved items in a freestanding restaurant ("Freestanding"), a restaurant connected to or in line with another retail space ("Inline"), a restaurant in an express or "captive audience" location ("Express") or a restaurant in a co-brand format ("Co-Brand").

The total investment necessary to begin operation of an A&W franchise restaurant, not including rent or land costs, is \$832,000 to \$1,197,000 for a Freestanding building; \$292,000 to \$682,000 for an Inline location; \$122,500 to \$518,000 for an Express location, \$132,500 to \$528,000 for the A&W portion of an existing restaurant that will be converted to a Co-Brand restaurant; and \$1,114,000 to \$1,822,000 for the A&W and co-brand portions of a new, ground-up Co-Brand restaurant. This includes \$20,250 to \$35,000 that must be paid to the franchisor or its affiliates.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Administration Department at 1648 McGrathiana Parkway, Suite 380, Lexington, KY 40511, (855) 766-8232.

The terms of your contract will govern your franchise relationship. Don't 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-FTCHELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

ISSUANCE DATE: April 26, 2013/2013, as amended December 9, 2013.

**A&W FDD – December 04/2013 Amendment
NJ 227803456v2227852717v3**

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 THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit F 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 TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

- 1. THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO SUE ONLY IN KENTUCKY. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE A&W IN KENTUCKY THAN IN YOUR HOME STATE.**
- 2. THE FRANCHISE AGREEMENT STATES THAT KENTUCKY 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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

STATE LAWS MAY SUPERSEDE THESE FRANCHISE AGREEMENT PROVISIONS. CERTAIN STATES REQUIRE THE SUPERSEDING PROVISIONS TO APPEAR IN AN ADDENDUM TO THIS DISCLOSURE DOCUMENT.

Effective Date: See the next page for state effective dates.

State Effective Dates

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

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

STATE	EFFECTIVE DATE
CALIFORNIA	May 31, 2013. <u>as amended</u> _____, 2013
ILLINOIS	April 30, 2013. <u>as amended December 18,</u> 2013
INDIANA	April 30, 2013. <u>as amended December 9,</u> 2013
MARYLAND	May 16, 2013. <u>as amended</u> _____, 2013
MICHIGAN	April 30, 2013. <u>as amended December 9,</u> 2013
MINNESOTA	May 2, 2013. <u>as amended</u> _____, 2013
NEW YORK	June 5, 2013. <u>as amended</u> _____, 2013
NORTH DAKOTA	May 22, 2013. <u>as amended</u> _____, 2013
RHODE ISLAND	May 6, 2013. <u>as amended</u> _____, 2013
SOUTH DAKOTA	April 30, 2013. <u>as amended December 9,</u> 2013
VIRGINIA	May 23, 2013. <u>as amended</u> _____, 2013
WASHINGTON	June 11, 2013. <u>as amended</u> _____, 2013
WISCONSIN	April 30, 2013. <u>as amended December 18,</u> 2013

In all other states, the effective date of this Franchise Disclosure Document is the Issuance Date of April 26, ~~2013.~~ as amended December 9, 2013

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