

FRANCHISE DISCLOSURE DOCUMENT



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

jbanks@awrestaurants.com; www.awrestaurants.com



The franchisee will operate a quick-service restaurant featuring A&W® Root Beer and other approved items in a new or converted freestanding restaurant (“Freestanding”), a new or converted restaurant connected to or in line with another retail space or a gas station or convenience location (“Inline”), a new or converted restaurant in a “captive” location (“Captive”) 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 \$841,000 to \$1,213,000 for a new Freestanding building; \$416,000 to \$827,000 for a new Inline location; \$269,000 to \$612,500 for a new Captive location; \$343,500 to \$734,000 for the A&W portion of an existing restaurant that will be converted to a Co-Brand restaurant; and \$343,500 to \$734,000 for a Freestanding, Inline or Captive restaurant that will be converted from another existing business. This includes \$15,000 to \$30,000 plus an additional \$35,000 if you agree to develop 3 restaurants or \$50,000 if you agree to develop 5 restaurants 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 Legal Affairs 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: March 31, 2019.

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 G 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.**

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	
ILLINOIS	
INDIANA	
MARYLAND	
MICHIGAN	
MINNESOTA	
NEW YORK	
NORTH DAKOTA	
RHODE ISLAND	
SOUTH DAKOTA	
VIRGINIA	
WASHINGTON	
WISCONSIN	

In all other states, the effective date of this Franchise Disclosure Document is the Issuance Date of March 31, 2019.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/a-w>