

6/09/2016

FRANCHISE DISCLOSURE DOCUMENT



Angry Crab Shack Franchise, LLC
2740 S Alma School Rd. Mesa, AZ 85210
www.angrycrabshack.com
(480) 730-2722
a.diamond@angrycrabshack.com

We offer Angry Crab Shack franchises for the operation of southern style seafood boil restaurants offering seafood and Cajun style offerings as well as other authorized food and beverages on a eat-in or take out basis in a lively, casual, friendly environment. As permitted by law, your Angry Crab Shack location must offer a full bar including beer, wine, and spirits that we designate or approve.

The total investment necessary to begin operation of an Angry Crab Shack is estimated to be between **\$273,400 and \$504,100**. This includes an initial franchise fee of **\$50,000** for your first Angry Crab Shack and an Option Fee of **\$50,000-\$90,000** for 2-4 additional Angry Crab Shacks (which is required in conjunction with the execution of your first Angry Crab Shack franchise agreement). You must commit to open at least three (3) Angry Crab Shacks (including your first one) within a defined geographic area (“**Development Area**”) by certain defined deadlines (the “**Development Schedule**”) in exchange for the payment of the Initial Franchise Fee and an option fee (the “**Option Fee**”) with respect to each additional Angry Crab Shack that you and we agree may be opened in the Development Area. You and we will agree to a Development Schedule that outlines the dates by which each of those Angry Crab Shacks must be opened. (See Exhibit K).

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 Andrew Diamond, **Angry Crab Shack Franchise LLC**, 2740 S Alma School Rd Mesa, AZ 85210, (480) 250-1692.

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-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, 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: February 24, 2016

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 A for information about the franchisor, 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US IN THE JURISDICTION WHERE OUR PRINCIPAL OFFICES ARE LOCATED, WHICH IS CURRENTLY MESA, ARIZONA. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN ARIZONA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT ARIZONA 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. YOUR SPOUSE MUST SIGN A SPOUSAL CONSENT MAKING THEM JOINTLY AND INDEPENDENTLY LIABLE FOR THE OBLIGATIONS UNDER YOUR FRANCHISE AGREEMENT WHICH PLACES YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.
4. THE FRANCHISOR IS A DEVELOPMENT STAGE COMPANY WITH LIMITED FRANCHISE OPERATING HISTORY.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. 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 be sure to do your own investigation of the franchise.

Effective Date: See 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. In all the other states, the effective date of this Franchise Disclosure Document is February 24, 2016

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