

Dept of Business Oversight



FRANCHISE DISCLOSURE DOCUMENT

Bad Daddy's Franchise Development, LLC
a North Carolina limited liability company
601 Corporate Circle
Golden, Colorado 80401
Telephone (303) 384-1440
Email bmc@baddaddysburgerbar.com
www.baddaddysburgerbar.com

As a franchisee you will operate a full-service, full bar restaurant under the trademark "BAD DADDY'S BURGER BAR" featuring fresh, custom blend gourmet burgers, sandwiches, house-made french fries and potato chips, original salads, appetizers, old fashioned milkshakes, liquor, beer and wine, and other food products and beverages authorized by us

The total investment necessary to begin operation of a Bad Daddy's Burger Bar restaurant is \$590,000 to \$1,382,000, which amount includes an initial franchise fee of \$35,000 that must be paid to the franchisor or its affiliate. The initial franchisee fee will be \$35,000 for each additional restaurant that you agree to develop under the area development agreement. You must sign an area development agreement, even if only one restaurant is being developed, and you must pay an area development fee equal to \$35,000 for the first restaurant that you agree to develop under the area development agreement and \$10,000 for each additional restaurant that you agree to develop under the area development agreement. The area development fee you pay for each restaurant being developed will be credited against the initial franchise fee that would be due for that restaurant and the remainder will be due at the time the franchise agreement for each additional restaurant is executed.

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 Bill McClintock at 601 Corporate Circle, Golden, Colorado 80401 and (630) 903-4608.

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.

The date of issuance of this Disclosure Document is April 30, 2014.

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 to this Disclosure Document 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 AND THE AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY LITIGATION OR ARBITRATION ONLY IN NORTH CAROLINA OUT-OF-STATE LITIGATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT ALSO MAY COST YOU MORE TO ARBITRATE WITH US IN NORTH CAROLINA THAN IN YOUR OWN STATE
- 2 THE FRANCHISE AGREEMENT AND THE AREA DEVELOPMENT AGREEMENT EACH STATE THAT NORTH CAROLINA LAW GOVERNS THAT AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFIT AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS
- 3 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

The effective dates of this Disclosure Document in the states with franchise registration laws in which we have sought registration appear on the following page

ATTACHMENT 1

This 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	_____, 2014
Florida (exemption)	May 15, 2013
Hawaii	
Illinois	February 26, 2014
Indiana	_____, 2014
Kentucky (exemption)	June 4, 2012
Maryland	October 4, 2013
Michigan	_____, 2014
Minnesota	_____, 2014
Nebraska (exemption)	_____, 2014
New York	February 28, 2014
North Dakota	_____, 2014
Rhode Island	_____, 2014
South Dakota	_____, 2014
Texas (exemption)	May 2, 2013
Utah (exemption)	_____, 2014
Virginia	August 9, 2013
Washington	_____, 2014
Wisconsin	_____, 2014

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