

## FRANCHISE OFFERING CIRCULAR

### **BANDANA'S FRANCHISE SYSTEMS, LLC**

15450 S. Outer Forty, Suite 100  
St. Louis, Missouri 63017  
(636) 537-8200

### INFORMATION FOR PROSPECTIVE FRANCHISEES REQUIRED BY FEDERAL TRADE COMMISSION

To protect you, we've required your franchisor to give you this information. We haven't checked it, and don't know if it's correct. It should help you make up your mind. Study it carefully. While it includes some information about your contract, don't rely on it alone to understand your contract. Read all of your contract carefully. Buying a franchise is a complicated investment. Take your time to decide. If possible, show your contract and this information to an advisor, like a lawyer or an accountant. If you find anything you think may be wrong or anything important that's been left out, you should let us know about it. It may be against the law.

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

FEDERAL TRADE COMMISSION,  
Washington, D.C.

**FRANCHISE OFFERING CIRCULAR**

**Bandana's Franchise Systems, LLC**  
15450 S. Outer Forty, Suite 100  
St. Louis, Missouri 63017  
(636) 537-8200  
www.bandanasbbq.com

**RECEIVED**  
**MAR 17 2005**  
**SECURITIES**

Bandana's Franchise Systems, LLC ("Bandana's") franchises authentic, Southern Style barbecue restaurants featuring genuine smoked barbecue. The franchisee will operate a restaurant serving hickory-smoked spareribs, pork, beef, turkey, chicken, barbeque sandwiches, potato salad, coleslaw, beans, desserts and other food and beverage items in a setting reminiscent of the "Old West" under the name Bandana's Bar-B-Q<sup>®</sup>. The initial franchise fee is \$40,000. The estimated total initial investment for a newly developed Bandana's Bar-B-Q restaurant consists of various costs detailed in Item 7 of this Offering Circular and ranges from \$466,500 to \$1,074,000.<sup>1</sup> These amounts include travel expenses for Bandana's operating team which are estimated to range between \$10,000 and \$30,000. If you sign an Area Development Agreement, the Development Fee is \$10,000, multiplied by the number of Bandana's Bar-B-Q restaurants that you agree to develop. An initial Franchise Fee will be due with respect to each Bandana's Bar-B-Q restaurant opened pursuant to the Area Development Agreement, however, you will receive \$10,000 credit against the then-current initial fee.

**RISK FACTORS:**

1. THE FRANCHISE AGREEMENT PERMITS YOU TO SUE, ARBITRATE OR MEDIATE WITH BANDANA'S ONLY IN THE STATE OF MISSOURI. OUT OF STATE LITIGATION, ARBITRATION OR MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE, ARBITRATE OR MEDIATE WITH BANDANA'S IN THE STATE OF MISSOURI THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT MISSOURI 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. BANDANA'S IS A START-UP FRANCHISOR (FEBRUARY 2004) THAT HAS ONLY JUST BEGUN TO OFFER FRANCHISES. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY AS A FRANCHISOR TO ASSIST YOU IN JUDGING WHETHER OR NOT TO PROCEED WITH THIS TRANSACTION.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Information comparing franchisors is available. Call the state administrator[s] listed in the State Agency Exhibit attached to this Offering Circular as Exhibit A or your public library for sources of information.

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<sup>1</sup> The estimated total initial investment includes, among other things, the estimated costs associated with operating a Bandana's Barbeque Restaurant for the first three months of operations.

Certain states require franchisors to make additional disclosures related to the information contained in this Offering Circular. These disclosures are contained in Exhibit H to this Offering Circular.

Registration of this franchise by a state does not mean that the state recommends it or has verified the information in this Offering Circular. If you learn that anything in this Offering Circular is untrue, contact the Federal Trade Commission and the State Agency listed on the State Agency Exhibit attached to this Offering Circular as Exhibit A.

Effective Date: April 1, 2004, except for the following states in which the Effective Date is listed below:

<u>State</u>	<u>Effective Date</u>	<u>State</u>	<u>Effective Date</u>
California		New York	
Hawaii		North Dakota	
Illinois		Rhode Island	
Indiana		South Dakota	
Maryland		Virginia	
Michigan		Washington	
Minnesota		Wisconsin	

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