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FRANCHISE

DISCLOSURE DOCUMENT

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FRANCHISE DISCLOSURE DOCUMENT



BANGBANG FRANCHISE HOLDINGS, LLC an Iowa Limited Liability Company 211 4TH Street West Des Moines, Iowa 50265 Phone 1-410-937-8577 Fax 1-410-937-8577 WWW BANGBANGMONGOLIANGRILL COM b.bernotas@BangBangMongolian com

BANGBANG FRANCHISE HOLDINGS, LLC is offering franchises for the use of the trademark "BANGBANG MONGOLIAN GRILL" and related trademarks and service marks for the operation of its business offering of Asian-style food that is a "build your own" style featuring upscale casual dining ambiance

The total investment necessary to begin operation of a single franchise is \$320,000 to \$787,000 This includes the franchise fee of \$35,000 that you must pay to the franchisor or its affiliate

The total investment necessary to begin operation of an Area Developer Franchise is \$313,000 to \$780,000 This includes the development fee of \$28,000 per franchise to be developed that you must pay to the franchisor or its affiliate

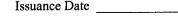
This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English Read this disclosure document and all accompanying agreements carefully You must receive the disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale **Note, however, that no government 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 Robert Bernotas, at 211 4TH Street, West Des Moines, Iowa 50265, and 1-410-937-8577

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, DC 20580 You can also visit the FTC's home page at <u>www fic gov</u> 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



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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, or about franchising in your state

MANY FRANCHISE AND AREA DEVELPER 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 RISKS FACTORS before you buy this franchise:

1 THE FRANCHISE AGREEMENT AND AREA DEVELOPER AGREEMENT REQUIRES YOU TO RESOLVE ANY DISPUTES WITH US BY MANDATORY FACE-TO-FACE NEGOTIATION, NON-BINDING MEDIATION, AND ARBITRATION THESE PROCEEDINGS TO NEGOTIATE, MEDIATE AND/OR ARBITRATE WILL TAKE PLACE IN IOWA OUT OF STATE FACE-TO-FACE NEGOTIATION, MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO NEGOTIATE, MEDIATE AND/OR ARBITRATE WITH US IN IOWA THAN IN YOUR HOME STATE YOU AND WE WILL GENERALLY BEAR EACH OF OUR OWN COSTS IN ANY DISPUTE, BUT THE ARBITRATOR CAN ASSESS COSTS (BUT NOT ATTORNEY'S FEES) AGAINST A LOSING PARTY

2 YOU WAIVE YOUR RIGHTS TO A JURY TRIAL, AS WELL AS TO A TRIAL BEFORE A JUDGE IN A COURT OF LAW, YOU GENERALLY WAIVE YOUR RIGHT TO APPEAL AN ARBITRATION AWARD (EXCEPT TO A 3 ARBITRATOR APPEAL PANEL) AND MAY BE GIVING UP RIGHTS TO CERTAIN PRE-TRIAL DISCOVERY, AS WELL AS GIVING UP RIGHTS REGARDING CERTAIN CLASS ACTIONS THE FRANCHISE AGREEMENT AND AREA DEVELOPER AGREEMENT ALSO CONTAIN A LIMITATION ON THE TYPES AND AMOUNTS OF DAMAGES RECOVERABLE BY YOU OR US, REQUIRES YOU TO GIVE US NOTICE OF AND OPPORTUNITY TO CURE, DEFAULTS BY US AND PROVIDES FOR A PERIOD OF TIME IN WHICH YOU OR WE CAN BRING CLAIMS WHICH MAY BE SHORTER THAN THAT PROVIDED BY APPLICABLE LAW

3 THE FRANCHISE AGREEMENT AND AREA DEVELOPER AGREEMENT STATE THAT IOWA LAW GOVERNS THE AGREEMENT THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

4 THIS IS A DEVELOPMENT STAGE COMPANY, WHICH ENTAILS ADDITIONAL RISK OF FINANCIAL LOSS THERE IS A LIMITED OPERATING HISTORY TO ASSIST A PROSPECTIVE FRANCHISEE IN DECIDING WHETHER TO MAKE THIS INVESTMENT

5 THE FRANCHISOR REQUIRES THAT SPOUSES OF THE FRANCHISEE, WHO MAY NOT BE INVOLVED IN THE FRANCHISE BUSINESS, MUST BE BOUND TO THE FRANCHISE AGREEMENT AND PERSONAL GUARANTY, PLACING THEIR PERSONAL ASSETS AT RISK

6 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

In certain portions of the United States, we use FRANCHISE BROKERS to assist us in the sale of franchises If you are in such an area or turn out to be in such an area after becoming a franchisee, we may pay to the Franchise Broker a portion of the initial franchise fee that you pay to us A franchise broker or referral source represents us, not you You should be sure to do your own investigation of the franchise

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