

FRANCHISE DISCLOSURE DOCUMENT

Bennigan's Franchising Company, LLC
A Delaware Limited Liability Company
5151 Beltline Road
Suite 300
Dallas, Texas 75254
469-277-6371
www.bennigans.com

DEPARTMENT OF CORPORATIONS
RECEIVED LOS ANGELES OFFICE
MAY 05 2010

The franchisee will operate a Bennigan's® restaurant that offers a wide variety of menu items featuring moderately-priced meals for the family, including steak, seafood, chicken, salads, sandwiches, and other dinner and luncheon entrees, along with a full bar.

The total investment necessary to begin operation of a single Bennigan's restaurant is \$1,236,075 to \$3,503,244. This includes \$60,000 that the franchisee must pay to Bennigan's Franchising Company, LLC. This does not include any development rights.

The total investment necessary to begin operation of a Bennigan's restaurant under a Development Agreement is \$1,256,075 to \$3,603,244. This includes \$80,000 that the franchisee must pay to Bennigan's Franchising Company, LLC. The low range assumes that the franchisee purchases the right to develop two Bennigan's restaurants under the Development Agreement. The high range assumes that the franchisee purchases the right to develop ten restaurants under the Development Agreement. The high end of the range would increase if the franchisee purchases the right to develop more than ten restaurants.

The low ends of the total investment necessary shown above assume that the franchisee will pay \$1,500 for a liquor license. The high ends assume that the franchisee will pay \$600,000. The franchisee should determine the actual cost of a liquor license in the jurisdiction where the franchisee will open the restaurant and should adjust the figures shown above to reflect the actual cost.

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.**

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: May 1, 2010

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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 FRANCHISOR OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.**

Call the state franchise administrator listed in Exhibit I 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 BY LITIGATION ONLY IN TEXAS. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS-FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE US IN TEXAS THAN YOUR HOME STATE.**
2. **THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATE THAT TEXAS LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
3. **THE FRANCHISE AGREEMENT REQUIRES YOUR SPOUSE TO SIGN THE PERSONAL GUARANTY MAKING YOUR SPOUSE JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE BUSINESS. THIS REQUIREMENT PLACES YOUR ASSETS AND YOUR SPOUSE'S ASSETS AT RISK.**
4. **MANY JURISDICTIONS WHERE YOU MAY WISH TO DEVELOP YOUR RESTAURANT OBJECT TO ELEMENTS OF THE BENNIGAN'S CONCEPT, LIKE THE SALE OF ALCOHOLIC BEVERAGES. ACTIVISTS IN THOSE JURISDICTIONS MAY LOBBY GOVERNMENTAL AUTHORITIES TO PREVENT YOU FROM DEVELOPING YOUR RESTAURANT THERE. THESE ACTIVISTS AND GOVERNMENTAL AUTHORITIES MAY IMPEDE YOUR ABILITY TO SECURE A SITE AND TO OBTAIN REQUIRED PERMITS AND LICENSES. THEIR ACTIONS MAY DELAY YOUR ABILITY TO OPEN AND MAY INCREASE YOUR COSTS. YOU SHOULD CONSIDER THESE ISSUES WHEN YOU DECIDE WHETHER TO PURCHASE A FRANCHISE.**
5. **ON JULY 29, 2008, OUR FORMER PARENT COMPANY, S&A RESTAURANT CORP., TOGETHER WITH A NUMBER OF S&A'S AND OUR AFFILIATES, INCLUDING OUR DIRECT EQUITY OWNERS, CLOSED ALL COMPANY-OWNED BENNIGAN'S RESTAURANTS AND FILED FOR BANKRUPTCY PROTECTION UNDER CHAPTER 7 OF THE U.S. BANKRUPTCY CODE. ALTHOUGH WE DID NOT FILE FOR BANKRUPTCY PROTECTION, THE CLOSURE OF ALL COMPANY-OWNED BENNIGAN'S RESTAURANTS AND THE BANKRUPTCY FILING MAY HAVE ADVERSELY**

AFFECTED THE PUBLIC'S PERCEPTION OF THE BENNIGAN'S BRAND IN YOUR MARKET.

6. THE U.S. FEDERAL GOVERNMENT AND THE GOVERNMENTS OF SOME STATES ARE ENACTING LAWS THAT MAY SIGNIFICANTLY INCREASE THE COSTS OF DOING BUSINESS AND DISCOURAGE COMMERCE GENERALLY. YOU SHOULD CONSIDER THESE LAWS CAREFULLY WHEN YOU DECIDE WHETHER TO PURCHASE A FRANCHISE.
7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

This disclosure document is effective in certain states on the dates listed in Attachment 1, on the following page.

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