

FRANCHISE DISCLOSURE DOCUMENT



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

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

The total investment necessary to begin operation of a standard Bennigan's full-service prototype restaurant franchise is \$1,045,800 to \$3,643,550. This includes \$50,075 to \$85,075 that must be paid to the franchisor or affiliate.

You may also offer a "Bennigan's-on-the-FlyTM" restaurant. Bennigan's-on-the-Fly restaurants are usually developed within a host facility like an airport, shopping mall food court, office building, college or university, sports stadium, sports arena, entertainment center, or military base. The total investment necessary to begin operation of a Bennigan's-on-the-Fly restaurant franchise is \$493,800 to \$1,926,050. This includes \$50,075 to \$85,075 that must be paid to the franchisor or affiliate.

The franchisee may also purchase the right to develop additional Bennigan's restaurants under an "Option Addendum." The total investment necessary to begin operation of a Bennigan's restaurant under the Option Addendum is similar to the total investment necessary to begin operation of the franchisee's initial Bennigan's restaurant. The franchisee must pay an option deposit of \$10,000 for each additional restaurant that the franchisee purchases the right to operate, at the time the parties enter into the Option Addendum. The option fee for each restaurant under the Option Addendum is \$25,000.

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 Paul Mangiamele at 5151 Beltline Road, Suite #300, Dallas, Texas 75254 and (469) 248-4420.

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.

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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 C** 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 WHERE OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED. OUR PRINCIPAL PLACE OF BUSINESS IS CURRENTLY IN DALLAS, TEXAS. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US WHERE OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT REQUIRES THAT TEXAS 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 TO YOUR GUARANTY OF THE FINANCIAL OBLIGATIONS UNDER THE AGREEMENT. THIS WILL PLACE YOUR SPOUSE'S MARITAL ASSETS AT RISK IF THE FRANCHISE FAILS.
- 4. 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 make sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

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