

## FRANCHISE DISCLOSURE DOCUMENT



BGR Franchising, LLC 7621 Little Ave. Suite 414 Charlotte, NC 28226 (704) 366-5122 www.bgrtheburgerjoint.com

Franchisor franchises the right to operate a unique fast casual restaurant featuring gourmet burgers, sandwiches, specialty salads, fries, milkshakes, desserts, and other food and beverages under the mark "BGR Burgers Grilled Right" (each, a "Restaurant"). The total initial investment necessary to begin operation of a Restaurant ranges from \$193,000 to \$587,000, which includes the \$40,000 you must pay to franchisor.

The total investment necessary to operate three (3) or more Restaurants under our form of area development agreement depends on the number of franchises we grant you the right to open. The total investment necessary to open and operate three (3) Restaurants ranges from \$218,000 to \$612,000, which includes: (i) a development fee amounting to \$65,000 that must be paid to us upon execution of your area development agreement; and (ii) the estimated initial investment to begin operation of your initial Restaurant. Under the development agreement, the development fee is calculated by taking the sum of (a) \$40,000 for the initial Restaurant granted under that agreement, plus (b) \$15,000 for the second Restaurant we grant you the right to open, plus (c) \$10,000 for the third and each subsequent Restaurant we grant you the right to open.

This disclosure document summarizes certain provisions of your Franchise Agreement and Development 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 our corporate office at 7621 Little Ave., Suite 414, Charlotte, NC 28226, (704) 366-5122.

The terms of your Franchise Agreement and Development Agreement, as applicable, will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contracts. Read all of your contracts carefully. Show your contracts 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 Virginia 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

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

The Issue Date of this Franchise Disclosure Document ("FDD") is: April 25, 2019

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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 1 to this Franchise Disclosure Document for information about the franchisor, about other franchisors, 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. AT OUR OPTION, THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT REQUIRE YOU TO FIRST RESOLVE ALL DISPUTES WITH US BY MEDIATION ONLY IN MECKLENBURG COUNTY, NORTH CAROLINA. OUT OF STATE MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. ANY DISPUTES WITH US NOT SUBJECT TO OR OTHERWISE RESOLVED BY MEDIATION MUST BE RESOLVED BY LITIGATION ONLY IN MECKLENBURG COUNTY, NORTH CAROLINA. IT MAY ALSO COST YOU MORE TO MEDIATE OR LITIGATE WITH US IN THE STATE OF NORTH CAROLINA THAN IN YOUR OWN STATE. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATE THAT THEY ARE GOVERNED BY VIRGINIA LAW, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 2. THE FRANCHISOR'S AUDITED FINANCIAL STATEMENTS DATED APRIL 19, 2019 REFLECT THAT CURRENT LIABILITIES EXCEED CURRENT ASSETS. THIS MEANS THAT THE FRANCHISOR MAY NOT HAVE THE FINANCIAL RESOURCES TO PROVIDE SERVICES OR SUPPORT TO YOU.
- 3. 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 is <u>our</u> agent and represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

See the State Effective Dates page after this State Cover Page for information on effectiveness in the registration states.

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