

FRANCHISE DISCLOSURE DOCUMENT

Big Smoke Burger Worldwide Holdings, LLC

a Delaware limited liability company

50 Carroll Street, Suite 213

Toronto, Ontario, Canada M4M 3G3

(416) 463-2323

www.bigsmokeburger.com



The franchisee will operate a quick serve restaurants offering handcrafted burgers made with top quality ingredients, side orders, shakes, cookies and beverages under the name “Big Smoke Burger”. Big Smoke Burger Restaurants operate using the franchisor’s formula, and techniques, trade dress, and trademarks and logos.

The total investment necessary to begin operation of a Big Smoke Burger Restaurant franchise is \$184,500 to \$417,500. This includes \$42,000 and \$51,000 that must be paid to the franchisor or affiliate.

If you enter into a Multi-Unit Operator Agreement to develop at least three Restaurants, when you sign the Multi-Unit Operator Agreement you will pay a development fee equal to 100% of the initial franchise fee for the first Restaurant to be developed, plus a deposit of 50% of the initial franchise fee for each additional Restaurant to be developed under the Multi-Unit Operator Agreement, and you will pay to us a Marketing Deposit for your first Restaurant of \$5,000 to \$10,000. The total investment necessary will vary based on the number of Restaurants to be developed.

The total investment necessary to begin operation as a Development Agent is \$215,000 to \$1,035,000. This includes between \$215,000 and \$1,035,000 that must be paid to the franchisor, as appropriate. A Development Agent must also own at least one Restaurant and pay the related fees, which are included in the total investment.

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 Mustafa Yusuf at 50 Carroll Street, Suite 213, Toronto, Ontario, Canada M4M 3G3 and (416) 463-2323.

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 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 J 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, MULTI-UNIT OPERATOR AGREEMENT AND DEVELOPMENT AGENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION AND LITIGATION ONLY IN ONTARIO, CANADA. OUT OF STATE ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE OR LITIGATE WITH US IN ONTARIO THAN IN YOUR OWN STATE.**
2. **THE FRANCHISE AGREEMENT, MULTI-UNIT OPERATOR AGREEMENT AND DEVELOPMENT AGENT AGREEMENT STATE THAT ONTARIO 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. **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 be sure to do your own investigation of the franchise.

Effective Date: See next page for the effective date

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