

## FRANCHISE DISCLOSURE DOCUMENT



**Burger 21 International,  
Inc.**  
a Florida corporation  
8810 Twin Lakes Boulevard  
Tampa, Florida 33614  
(813) 327-7870  
info@burger21.com  
www.burger21.com  
www.burger21franchise.com

The franchise offered is for the operation of a fast casual, better burger concept, that serves lunch and dinner and features 21 chef inspired burgers, plus hot dogs, salads, fries, signature shakes, desserts, a sauce bar, beer and wine and more (a “**BURGER 21® Restaurant**” or “**Restaurant**”).

The total investment necessary to begin operation of a BURGER 21® Restaurant ranges from \$412,781 to \$1,055,436. These totals include an initial franchise fee ranging from \$27,000 to \$40,000 that must be paid to us. The estimated initial investment for an area development program ranges from \$432,781 to \$1,145,436 (based on a Development Fee for 2 to 7 Restaurants). Under the Area Development Program, the Development Fee paid at the time you sign the Development Agreement equals ½ the initial franchise fee times the number of Restaurants after the first Restaurant you are scheduled to develop. In addition to the Development Fee, you would also incur the total initial investment for each Restaurant that you open under the Development Agreement.

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 Jim Sullivan, Vice President, Burger 21 International, Inc., Restaurant Support Center, 8810 Twin Lakes Boulevard, Tampa, Florida 33614, (813) 327-7870.

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 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](http://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.

Date of Issuance: November 8, 2016

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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 AND DEVELOPMENT AGREEMENT PERMIT YOU TO ARBITRATE OR LITIGATE WITH US ONLY IN FLORIDA. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST YOU MORE TO LITIGATE OR ARBITRATE WITH US IN FLORIDA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATE THAT THE LAW OF FLORIDA GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE.

[33. THE FRANCHISOR'S BALANCE SHEET AS OF MARCH 29, 2016 SHOWS A STOCKHOLDERS' DEFICIT IN THE AMOUNT OF \(\\$1,128,670\) AND NEGATIVE WORKING CAPITAL IN THE AMOUNT OF \(\\$597,770\). REFER TO THE FINANCIAL STATEMENTS FOR COMPLETE DETAILS.](#)

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 be sure to do your own investigation of the franchise.

The effective dates of this Disclosure Document in the states with franchise registration laws in which we have sought registration appear on the following page.

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### **Our Unit Franchise Program.**

In this disclosure document we grant, to persons who meet our qualifications and who are willing to undertake the investment and effort, franchises for the right own and operate a BURGER 21® Restaurant franchise (the “**Franchise**”) at a single location acceptable to us. BURGER 21® Restaurants operate under the Marks and the System. Our current form of Unit Franchise Agreement (the “**Franchise Agreement**”) is attached as Exhibit “B.”

### **Area Development Program.**

We also grant, to persons who meet our qualifications and who are willing to undertake the investment and effort, the right to develop, within a predetermined time frame, and operate Restaurants at multiple locations within specific geographical areas. Our standard form of Area Development Agreement (the “**Development Agreement**”) is attached as Exhibit “C.” Each Restaurant is operated under a separate Franchise Agreement. [An Area Developer may be required to sign our then-current form of Franchise Agreement, which may contain different terms than the current Franchise Agreement attached as Exhibit "B" to this disclosure document.](#)

### **Our Business.**

We have been offering franchises for BURGER 21® Restaurants since August 31, 2011. We do not operate any BURGER 21® Restaurants. However, our affiliates operate and manage 4 BURGER 21® Restaurants located in the Lakeland and Tampa, Florida areas. We do not engage in other business activities, and have not offered, and do not currently offer, franchises in other lines of business.

### **Competition.**

You will be competing with other restaurants, including gourmet burger restaurants, casual dining restaurants, fast food restaurants, fast casual restaurants, full service restaurants, grocery stores and specialty stores that offer food and food-related products. These restaurants and similar businesses may be associated with national or regional chains or may be local independent restaurants and other businesses. You also will be competing with other food service outlets that feature products and services that differ from those offered by BURGER 21® Restaurants. Your products and services will be offered to the general public, to individual consumers, for on-site consumption, carry out and if authorized by us delivery and catering. The market for BURGER 21® Restaurants is developed in some areas, developing in other areas and undeveloped in other areas.

### **Regulations.**

You must comply with all local, state and federal, liquor licensing, health, sanitation and environmental laws that apply to restaurant operations. You will also be required to comply with workers' compensation, equal protection and workplace safety laws and regulations, including Title VII, and the ADA.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and state and local health departments administer and enforce laws and regulations that govern food preparation and service and sanitary conditions. State and local agencies inspect restaurants to ensure that they comply with these laws and regulations. Some states, including Florida, also have laws regulating the handling of food and food products. The federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particulate matters, including caps on omissions from commercial food preparation. Some areas have also adopted or are considering proposals that would regulate indoor air quality. Also, some state and local authorities have

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