

FRANCHISE DISCLOSURE DOCUMENT

Carl's Jr. Restaurants LLC
A Delaware Limited Liability Company
6307 Carpinteria Avenue, Suite A
Carpinteria, CA 93013
(805) 745-7500
ckefranchise@ckr.com
www.carlsjr.com



The franchisee will operate either a quick service restaurant under the name "Carl's Jr.," offering a limited menu of breakfast, lunch and dinner products and featuring charbroiled 100% Black Angus Thickburger sandwiches, Hand-Breaded Chicken Tenders, Made from Scratch Biscuits, and other related quick serve menu items ("Carl's Jr. Restaurant"), or a quick service restaurant under the names "Carl's Jr." and "Green Burrito," featuring, in addition to the products previously mentioned, a limited menu of Mexican food products ("Dual Concept Restaurant").

The total investment necessary to begin the operation of a newly-developed Carl's Jr. Restaurant ranges from approximately \$1,260,000 to \$1,908,000. This includes \$15,000 to \$45,000, which must be paid to us. The total investment range does not include the cost of buying or renting the business location.

The total investment necessary to begin the operation of a newly-developed Dual Concept Restaurant ranges from approximately \$1,282,000 to \$1,949,500. This includes \$15,000 to \$45,000, which must be paid to us. The total investment necessary to convert an existing Carl's Jr. Restaurant to a Dual Concept Restaurant ranges from approximately \$22,500 to \$41,500. These total investment ranges do not include the cost of buying or renting the business location.

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 Tina Slay, Franchise Coordinator, at 6307 Carpinteria Avenue, Suite A, Carpinteria, CA 93013, (805) 745-7841.

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 by calling 1-877-FTC-HELP or writing 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.

Issued: May 28, 2014, as amended October 20, 2014

STATE COVER PAGE

Your state may have a franchise law that requires us to register or file with a state administrator before offering or selling franchises 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 A 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 AGREEMENTS REQUIRE YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN THE STATE IN WHICH OUR PRINCIPAL OFFICES ARE LOCATED, WHICH CURRENTLY IS CALIFORNIA. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT ALSO MAY COST YOU MORE TO SUE US IN CALIFORNIA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENTS STATE THAT CALIFORNIA 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.

This disclosure document is to be used in the District of Columbia and all states except: Hawaii; Illinois; Maryland; Michigan; Rhode Island; and Virginia.

The effective date of this disclosure document for the following states is listed below:

Hawaii	June 10, 2014
Minnesota	June 3, 2014, as amended _____, 2014
North Dakota	June 4, 2014, as amended <u>October 20, 2014</u>
South Dakota	June 3, 2014, as amended October 20, 2014
Washington	June 4, 2014, as amended <u>October 20, 2014</u>
Wisconsin	June 3, 2014, as amended _____, 2014

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