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FRANCHISE DISCLOSURE DOCUMENT

KCP-4713225.6

FRANCHISE DISCLOSURE DOCUMENT



Champs Chicken Franchising, LLC
A Delaware Limited Liability Company
170 Commerce Drive
Holts Summit, Missouri 65043
(573) 896-2500
shawn.burcham@pfsbrands.com
www.champschicken.com

The franchisee will operate a Champs Chicken® restaurant within an existing business the franchisee operates, like a grocery store or convenience store. The restaurant will offer a wide variety of fried chicken, fried fish, side dishes, breakfast items, and other menu items (the “Products and Services”).

The total investment necessary to begin operation of a Champs Chicken franchise within an existing business is \$9,000 to \$349,000. This includes \$4,500 to \$130,000 that must be paid to the franchisor or affiliate for the purchase of the products, equipment, supplies and merchandise necessary to open and operate your Champs Chicken Franchise. We do not require the payment of an initial franchise fee.

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 Shawn Burcham at 170 Commerce Drive, Holts Summit, Missouri 65043 and (573) 896-2500.

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.

Issuance Date: October 7, 2016

KCP-4713225.6

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 D 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 HOLTS SUMMIT, MISSOURI. 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 STATES THAT DELAWARE 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. WE ARE A DEVELOPMENT STAGE COMPANY WITH A LIMITED FRANCHISE OPERATING HISTORY TO ASSIST A PROSPECTIVE FRANCHISEE IN DECIDING WHETHER TO MAKE THIS INVESTMENT.
4. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$9,000 TO \$349,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF JUNE 30 2016, WHICH IS \$226,993.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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