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Department of Business Oversight

# Chicken in a Barrel BBQ FRANCHISE DISCLOSURE DOCUMENT

Chicken In A Barrel Franchising, LLC

A Hawaii limited liability company 5015 Emmalani Dr Princeville, HI 96722 Tel (808) 826-6777 Email franchise@chickeninabarrel.com www.chickeninabarrel.com



The franchise that we offer is for a Chicken in a Barrel BBQ restaurant (a "Chicken in a Barrel BBQ Restaurant") Chicken in a Barrel BBQ restaurants feature and serve barrel smoked barbecue chicken, ribs, beef and pork and barbecue style side dishes and may be established as either, a limited menu, limited seating Chicken in a Barrel BBQ Roadside Express or a Full Service Chicken in a Barrel BBQ Restaurant

#### Single Unit Chicken in a Barrel BBQ Roadside Express or Full Service Restaurant

The total investment necessary to begin operation of a Chicken in a Barrel BBQ Roadside Express is \$244,510 to \$395,208. This includes \$35,000 that must be paid to the Franchisor or Franchisor's affiliate for the initial franchise fee and between \$750 to \$1,500 that must be paid to the Franchisor or Franchisor's affiliate for initial inventory of our Chicken in a Barrel barbecue seasonings, barbecue rubs and barbecue sauces

The total investment necessary to begin operation of a Full Service Chicken in a Barrel BBQ Restaurant is 497,100 to \$687,500. This includes \$35,000 that must be paid to the Franchisor or Franchisor's affiliate for the initial franchise fee and between \$1,500 to \$3,000 that must be paid to the Franchisor or Franchisor's affiliate for initial inventory of our Chicken in a Barrel barbecue seasonings, barbecue rubs and barbecue sauces

### Multi-Unit Chicken in a Barrel BBQ Roadside Express or Restaurant Development Agreement

The total investment necessary to begin operation of a Chicken in a Barrel BBQ Roadside Express under a Development Agreement is \$274,510 to \$425,208. This includes \$35,000 that must be paid to the Franchisor or Franchisor's affiliate for the initial franchise fee, \$750 to \$1,500 that must be paid to the Franchisor or Franchisor's affiliate for initial inventory of our Chicken in a Barrel barbecue seasonings, barbecue rubs and barbecue sauces and \$30,000 that must be paid to the Franchisor or Franchisor's affiliate for the Exclusive Development Territory Fee.

The total investment necessary to begin operation of a Full Service Chicken in a Barrel BBQ Restaurant under a Development Agreement is \$527,100 to \$717,500. This includes \$35,000 that must be paid to the Franchisor or Franchisor's affiliate for the initial franchise fee, \$1,500 to \$3,000 that must be paid to the Franchisor or Franchisor's affiliate for initial inventory of our



for Chicken In A Barrel Franchising LLC

Chicken In A Barrel FDD 3 23 17



Chicken in a Barrel barbecue seasonings, barbecue rubs and barbecue sauces and \$30,000 that must be paid to the Franchisor or Franchisor's affiliate for the Exclusive Development Territory Fee

Under a Development Agreement you will be required to develop, open and operate a total of three Chicken in a Barrel BBQ Restaurants within a specified Exclusive Development Territory The Development Agreement will specify the type of Chicken in a Barrel BBQ Restaurants – Chicken in a Barrel BBQ Roadside Express or a Full Service Chicken in a Barrel BBQ Restaurant - to be developed

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 franchisoi of 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 form that is more convenient for you. To discuss the availability of disclosures in different forms, contact Michael R. Pierce, Chicken In A. Barrel Franchising, LLC at 5015 Emmalani Dr., Princeville, HI 96722

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire 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 <a href="https://www.ftc.gov">www.ftc.gov</a> 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 franchisoi to register or file with a state franchise administration 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 <u>Exhibit A</u> to this Franchise Disclosure Document 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

- THE FRANCHISE AGREEMENT REQUIRES YOU TO SUE THE FRANCHISOR ONLY IN THE STATE OF HAWAII OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO SUE THE FRANCHISOR IN THE STATE OF HAWAII
- THE FRANCHISE AGREEMENT STATES THAT HAWAII LAW GOVERNS EACH AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU SHOULD COMPARE THESE LAWS
- 3 YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTEE MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT THE GUARANTEE WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS
- THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENTRANGING FROM \$244,510 TO \$717,500 THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF JANUARY 22, 2016, WHICH IS \$100,000
- 5 THE FRANCHISOR HAS BEEN OFFERING FRANCHISES FOR A SHORT PERIOD OF TIME THEREFORE THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THE INVESTMENT



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