

## FRANCHISE DISCLOSURE DOCUMENT



### Dave's Hot Chicken Franchise Co., LLC

A Delaware Limited Liability Company

600 Playhouse Alley, Unit 504

Pasadena, CA 91101

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www.daveshotchicken.com

Dave's Hot Chicken restaurants feature Nashville hot chicken tenders and sliders with made-to-order spices and related food and drink items in a fun, fast-casual restaurant format ("Restaurant(s)" or "Dave's Hot Chicken Restaurant(s)"). We also offer Dave's Hot Chicken Restaurants in non-traditional locations ("Non-Traditional Restaurant(s)"), as defined in this disclosure document. We offer area development franchises ("Area Development Franchise(s)") for the rights to open multiple Restaurants in a designated area. Area developers sign individual franchise agreements for each Restaurant. We primarily offer Area Development Franchises, but we may offer single Restaurant franchises in certain situations.

The total investment necessary to begin operation of a Dave's Hot Chicken Restaurant (including Non-Traditional Restaurants) franchised business is between \$299,600 and \$648,200. This includes \$30,400 to \$31,100 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of two Dave's Hot Chicken Restaurants under an Area Development franchised business is between \$584,200 and \$1,299,400. This includes \$40,800 to \$42,200 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of ten Dave's Hot Chicken Restaurants under an Area Development franchised business is between \$2,841,000 and \$6,309,000. This includes \$124,000 to \$131,000 that must be paid to the franchisor or its affiliate(s).

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 disclosure in different formats, contact our Franchise Development Department at 600 Playhouse Alley, Unit 504, Pasadena, CA 91101, (626) 628-0850.

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 an attorney 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](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.

**Issuance Date: March 29, 2019, as amended November 18, 2019**



## 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 administrators listed in Exhibit A for information about the franchisor, about other franchisors, 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 AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY LITIGATION/ARBITRATION/MEDIATION ONLY IN THE PRINCIPAL CITY CLOSEST TO OUR PRINCIPAL PLACE OF BUSINESS (CURRENTLY PASADENA, CALIFORNIA). OUT-OF-STATE LITIGATION/ARBITRATION/MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE/ARBITRATE/MEDIATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.
2. YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT OR AREA DEVELOPMENT AGREEMENT EVEN THOUGH YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.
3. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

**We may 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 is our agent and 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 Dates: See next page for state effective dates.**



### STATE EFFECTIVE DATES

The following states require the disclosure document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

STATE	EFFECTIVE DATE
CALIFORNIA	PENDING
HAWAII	NOT REGISTERED
ILLINOIS	PENDING
INDIANA	NOT REGISTERED
MARYLAND	PENDING
MICHIGAN	NOT REGISTERED
MINNESOTA	NOT REGISTERED
NEW YORK	PENDING
NORTH DAKOTA	NOT REGISTERED
RHODE ISLAND	NOT REGISTERED
SOUTH DAKOTA	NOT REGISTERED
VIRGINIA	PENDING
WASHINGTON	PENDING
WISCONSIN	NOT REGISTERED



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