

## FRANCHISE DISCLOSURE DOCUMENT



**DEL TACO LLC**  
 A California limited liability company  
 25521 Commercentre Drive, Suite 200  
 Lake Forest, California 92630  
 (949) 462-9300  
[www.deltaco.com](http://www.deltaco.com)

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With this Franchise Disclosure Document (this “Disclosure Document”), Del Taco LLC is offering a franchise to operate a Del Taco restaurant.

The total investment necessary to begin operation of a Del Taco franchise for each type of restaurant and location offered, excluding the cost to purchase or lease your real estate, but including initial fees of \$46,700 to \$47,500 (consisting of the \$35,000 initial franchise fee, \$10,000 promotional fee and technical support costs which are estimated to range from \$1,700 to \$2,500) that you must pay to us, ranges as follows:

Standard Prototype (56 Seats)	\$ <del>9971,042</del> ,700 to \$ <del>1,535580</del> ,500
Expanded Prototype (72 Seats)	\$ <del>1,082102</del> ,700 to \$ <del>1,620640</del> ,500
Conversion Prototype (47 Seats)	\$ <del>772 792</del> ,700 to \$ <del>1,207227</del> ,500
End Cap Prototype (44 Seats)	\$ <del>797 817</del> ,700 to \$ <del>1,132175</del> ,500
Inline Prototype (44 Seats)	\$ <del>672 767</del> ,700 to \$ <del>1,007127</del> ,500

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 or grant. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive this Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact the Franchise Development Department at 25521 Commercentre Drive, Suite 200, Lake Forest, California 92630, 949-462-9300.

The terms of your contract will govern your franchise relationship. Do not rely on this 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 (“FTC”). You can contact the FTC at 1-877-FTC-

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HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. You also can 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.

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Your state also may have other laws on franchising. Ask your state agencies about them.

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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 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. AS OF THE END OF ITS LAST FISCAL YEAR (JANUARY 3, 2012), 2013), OUR GUARANTOR (SAGITTARIUS RESTAURANTS LLC) HAD ONLY \$13,062,553 IN CURRENT ASSETS AND HAD \$37,378,410 IN CURRENT LIABILITIES. THIS MEANS THAT FOR EVERY DOLLAR OF LIABILITIES DUE WITHIN ONE YEAR, OUR GUARANTOR HAD ONLY \$0.3529 IN CURRENT ASSETS.

2. AS OF THE END OF ITS LAST FISCAL YEAR (JANUARY 3, 2012), 2013), OUR GUARANTOR (SAGITTARIUS RESTAURANTS LLC) HAD NEGATIVE WORKING CAPITAL OF \$24,315,857.28, 141,385.

3. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN ORANGE COUNTY, CALIFORNIA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT ALSO MAY COST MORE TO SUE US IN ORANGE COUNTY, CALIFORNIA, THAN IN YOUR HOME STATE.

4. IF WE TERMINATE YOUR FRANCHISE AGREEMENT AFTER YOU BREACH IT, WE MAY RECOVER OUR FUTURE ROYALTIES FOR THE REMAINING TERM OF THE AGREEMENT.

5. OTHER RISKS MAY EXIST CONCERNING THIS FRANCHISE.

The following states require that we register or file this Franchise Disclosure Document or qualify for an exemption from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Utah, Virginia, Washington and Wisconsin.

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