


FRANCHISE DISCLOSURE DOCUMENT

	DFO, LLC A Delaware limited liability company 203 East Main Street Spartanburg, SC 29319 (864) 597-8000 www.dennys.com
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Denny's restaurants are full service, family-style restaurants that offer and serve a wide variety of food. Denny's restaurants offer a casual dining atmosphere and moderately-priced food designed to appeal to a broad spectrum of customers. We have developed and own a comprehensive system for developing and operating Denny's restaurants, which includes trademarks (Marks), building designs and layouts, equipment, ingredients, recipes and specifications for authorized food products, training, methods of inventory control as well as operational and business standards and policies. As part of the full-service brand, we have introduced variants to the business model which include online ordering for customer pick-up, third party delivery, and in-restaurant ordering through devices in addition to servers.

The Den is our limited service, nontraditional variation of the Denny's concept, which may be distinguished from our standard Denny's restaurant by having a unique and modified menu. This concept may have limited or no table service. Customers may order at a counter and seat themselves. To differentiate from a standard Denny's restaurant, limited service concepts may have distinct uniforms, POP (point-of-purchase, or in-store, marketing materials) specific to the concept, trade dress, brand representation and signs. This concept may appear as a standalone restaurant or in a nontraditional location, including without limitation those described in Item 12. We reserve the right to develop, or license others to develop limited service concepts, as they may evolve, in any Territory or trade area where traditional restaurants exist or may be developed, including any exclusive Territory for traditional restaurants.

The total investment necessary to begin operation of a Denny's franchise is:

From \$1,428,462.25 to \$2,356,618.25 for a Denny's Heritage facility;
from \$305,000 to \$826,000 for a nontraditional Denny's, including The Den; and
from \$1,003,462.25 to \$1,661,618.25 for Denny's within a Travel Center
(these numbers exclude real estate). This includes the initial franchise fee of \$30,000 and the New Restaurant Opening fee of \$0 to \$36,000, for a total of \$30,000 to \$66,000, which must be paid to the franchisor or affiliate.

The current approved restaurant design is known as Heritage.

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.**

The terms of your contract will govern your franchise relationship. Don't 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, 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.

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How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Exhibits O and P.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business	Exhibit Q includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Denny's in my area?	Item 12 and the "territory" provisions in the franchise agreement describes whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What is it like to be a Denny's franchisee?	Exhibits O and P lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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