

FRANCHISE DISCLOSURE DOCUMENT

**DICKEY'S BARBECUE RESTAURANTS, INC.,
A TEXAS CORPORATION
801 E. Plano Parkway, #135
PLANO, TEXAS 75074
(972) 423-2201
WWW.DICKEYS.COM**



The franchisee will operate under the name and mark "Dickey's Barbecue Pit" one (1) or more fast casual quick service restaurants specializing in freshly prepared barbecue style meats and other food products. The total investment necessary to begin operation of a single Dickey's Barbecue Pit restaurant ranges between ~~\$63,956,668,958~~ - ~~\$117,956,149,958~~ for the conversion of a previously finished-out leased restaurant facility within a non-traditional location, ~~\$108,838,127,560~~ - ~~\$162,838,208,560~~ for the conversion of a previously finished out leased restaurant facility in a traditional location, ~~\$256,282,269,406~~ - ~~\$310,282,350,406~~ for the conversion of a previously finished out leased retail space in a traditional location, and ~~\$342,976,348,651~~ - ~~\$396,976,429,651~~ for a new leased restaurant facility in a traditional location. This includes \$21,500 or more that must be paid to the franchisor or affiliate.

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 fourteen (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.**

The terms of your contract will govern your franchise relationship. Do not 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 ("FTC"). 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 a 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: September 1, 2012.

STATE COVER PAGE

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Your state may have a franchise law that requires a franchisor 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. If you learn that anything in this Disclosure Document is untrue, contact the FTC and the appropriate State authority.

Call the state franchise administrator listed in Exhibit FE 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. EXCEPT AS PROHIBITED UNDER APPLICABLE MINNESOTA LAW, THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE MOST DISPUTES WITH DICKEY'S BY NONBINDING MEDIATION AND, IF NONBINDING MEDIATION IS UNSUCCESSFUL, BY ARBITRATION IN TEXAS. IN SOME CASES, DISPUTES MAY BE SUBMITTED TO LITIGATION IN THE COURTS IN TEXAS TO THE EXTENT PERMITTED UNDER MINNESOTA LAW. YOU UNDERSTAND THAT OUT OF STATE MEDIATION, ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH DICKEY'S IN TEXAS THAN IN YOUR HOME STATE.
2. EXCEPT AS PROHIBITED UNDER APPLICABLE MINNESOTA LAW, THE FRANCHISE AGREEMENT STATES THAT TEXAS LAW GOVERNS THE FRANCHISE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- ~~3. THE SPOUSE(S) OF THE FRANCHISEE AND/OR DEVELOPER, AS THE CASE MAY BE, ARE REQUIRED TO SIGN THE FRANCHISE AND/OR DEVELOPMENT AGREEMENT, MAKING THEM JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS AND DEBTS OF THE FRANCHISE WHETHER OR NOT THEY ARE INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF YOU AND YOUR SPOUSE AT RISK.~~
- ~~3.~~ 4. THE MAJORITY OF RESTAURANTS OPERATED BY DICKEY'S FRANCHISEES OR BY AN AFFILIATE ARE LOCATED IN TEXAS. OPERATING RESULTS FOR DICKEY'S RESTAURANTS LOCATED OUTSIDE OF TEXAS ARE GENERALLY LESS ESTABLISHED.
- ~~4.~~ 5. UPON EARLY TERMINATION OF THE FRANCHISE, YOU MUST PAY DICKEY'S LIQUIDATED DAMAGES EQUAL TO ROYALTIES PROJECTED TO BE PAID BY YOU OVER THE REMAINING TERM OF THE FRANCHISE AGREEMENT BASED UPON THE AVERAGE NET SALES OF YOUR RESTAURANT OVER THE TWELVE (12) COMPLETE CALENDAR MONTHS IMMEDIATELY PRECEDING TERMINATION.
- ~~5.~~ 6. DICKEY'S OR ITS AFFILIATES OR OTHER FRANCHISEES MAY PROVIDE CATERING AND DELIVERY SERVICES AND MAY ESTABLISH OTHER CHANNELS OF DISTRIBUTION AND SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC UNDER THE SAME AND/OR A DIFFERENT TRADEMARK, POSSIBLY IN COMPETITION WITH YOUR FRANCHISE.
- ~~6.~~ 7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Dickey's uses the services of one or more franchise brokers or referral sources to assist us in selling our franchise. A franchise broker or referral source 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 Date: _____

Effective Date: See following page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the Franchise 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 Franchise 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:

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|---------------------|----------------|
| <u>CALIFORNIA</u> | <u>Pending</u> |
| <u>HAWAII</u> | <u>Pending</u> |
| <u>ILLINOIS</u> | <u>Pending</u> |
| <u>MICHIGAN</u> | <u>Pending</u> |
| <u>RHODE ISLAND</u> | <u>Pending</u> |
| <u>SOUTH DAKOTA</u> | <u>Pending</u> |
| <u>WASHINGTON</u> | <u>Pending</u> |
| <u>WISCONSIN</u> | <u>Pending</u> |
| <u>VIRGINIA</u> | <u>Pending</u> |
| <u>NEW YORK</u> | <u>Pending</u> |
| <u>INDIANA</u> | <u>Pending</u> |
| <u>NORTH DAKOTA</u> | <u>Pending</u> |
| <u>MARYLAND</u> | <u>Pending</u> |
| <u>MINNESOTA</u> | <u>Pending</u> |

- A. The states in which this proposed registration application is or will be shortly on file: California, Hawaii, New York, Illinois, Indiana, Michigan, Washington, Rhode Island, South Dakota, Wisconsin, Virginia, North Dakota, Minnesota, Maryland.
- B. The states that have refused to register this franchise offering: None
- C. The states that have revoked or suspended the right to offer franchises: None
- D. The states in which this proposed registration of these franchises has been withdrawn within the last five years, and the reasons for revocation or suspension: None

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