

FRANCHISE DISCLOSURE DOCUMENT



E & G FRANCHISE SYSTEMS, INC.

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E & G Franchise Systems, Inc. (the "Company") franchises Erbert & Gerbert's Sandwich Shop restaurants ("E & G Restaurants"), which feature gourmet sandwiches and specialty soups to be served on the premises and for pick-up by, or delivery to, the customer.

The total investment necessary to begin operation of an E & G Restaurant in a Traditional Location is from \$191,014 to \$381,535. This includes \$32,500 to \$35,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of an E & G Restaurant in a Non-Traditional Location is from \$28,750 to \$107,000. This includes \$6,000 to \$10,500 that must be paid to the franchisor or affiliate. If you sign an Area Development Agreement, you will pay us a nonrefundable Territory Fee of \$10,000 times the number of restaurants you agree to develop. We will apply the \$10,000 payment against future Initial Franchise Fees for your E & G Restaurants that you develop under the Area Development Agreement.

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 disclosures in different formats, contact Jeremy Mittlestadt (for Traditional Locations) or Eric Wolfe (for Non-Traditional Locations) at 5828 Arndt Road, Eau Claire, Wisconsin 54701, (715) 833-1375.

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 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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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 F 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. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION IN WISCONSIN. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN WISCONSIN THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATES THAT WISCONSIN LAW GOVERNS THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE FRANCHISE OWNERS MUST EACH SIGN PERSONAL GUARANTIES MAKING THEM JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE. THESE GUARANTIES PLACE EACH FRANCHISE OWNER'S PERSONAL ASSETS AT RISK.
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 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 this franchise.

Effective Date: See the next page for state effective dates

STATE EFFECTIVE DATES

Illinois Effective Date: _____

Indiana Effective Date: _____

Michigan Effective Date: _____

Minnesota Effective Date: _____

New York Effective Date: _____

North Dakota Effective Date: _____

South Dakota Effective Date: _____

Washington Effective Date: _____

Wisconsin Effective Date: _____

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