

## FRANCHISE DISCLOSURE DOCUMENT

FAMOUS DAVE'S OF AMERICA, INC. 12701 Whitewater Drive, Suite 290 Minnetonka, Minnesota 55343-4164 952-294-1300 www.famousdaves.com

Famous Dave's of America, Inc. franchises authentic, down-home barbecue restaurants featuring genuine smoked barbecue. Famous Dave's<sup>®</sup> Restaurants operate under the name Famous Dave's<sup>®</sup>. Famous Dave's<sup>®</sup> Restaurants serve combinations of hickory-smoked spareribs, baby back ribs, beef brisket, herb-roasted chicken, barbecue sandwiches, char-grilled burgers, cornbread, potato salad, coleslaw, Wilbur<sup>TM</sup> beans, desserts, specialty cocktails, and other food and beverage items.

The total investment necessary to open a Famous Dave's<sup>®</sup> Restaurant ranges from \$821,750 to \$2,920,750 if you lease the premises for a Famous Dave's<sup>®</sup> Restaurant, and from \$1,111,250 to \$4,495,750 if you purchase the land and building for a Famous Dave's<sup>®</sup> Restaurant. This includes \$95,750 to \$145,750 that must be paid to the franchisor. If you sign an Area Development Agreement, the Development Fee paid to the franchisor is determined by the number of Famous Dave's<sup>®</sup> Restaurants that you agree to develop. We do not require a commitment of a minimum number of Restaurants to enter into an Area Development Agreement, and there is not currently a maximum number of Restaurants that we would permit a qualified area developer to develop under an 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, Famous Dave's or an affiliate in connection with the proposed franchise sale. **Note, however, that no government 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 Jeff Crivello, our CEO, 12701 Whitewater Drive, Suite 290, Minnetonka, Minnesota 55343-4164; telephone number 952-294-1300.

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 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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional 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 <u>Exhibit A</u> 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 REQUIRES YOU TO RESOLVE DISPUTES WITH FAMOUS DAVE'S BY LITIGATION, ARBITRATION, OR MEDIATION ONLY IN THE STATE OF MINNESOTA. OUT OF STATE LITIGATION, ARBITRATION OR MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE, ARBITRATE OR MEDIATE WITH FAMOUS DAVE'S IN MINNESOTA THAN IN YOUR OWN STATE. THIS RISK FACTOR DOES NOT APPLY TO LITIGATION WHEN THE FRANCHISE AGREEMENT IS GOVERNED BY CERTAIN STATES' LAWS.
- 2. THE FRANCHISE AGREEMENT STATES THAT MINNESOTA LAW GOVERNS THE AGREEMENT AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchises. 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.

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## **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.

The 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:

CALIFORNIA: FLORIDA: HAWAII: Not Registered ILLINOIS: INDIANA: MARYLAND: **MICHIGAN:** MINNESOTA: **NEW YORK:** NORTH DAKOTA: **RHODE ISLAND:** SOUTH DAKOTA: UTAH: VIRGINIA: WASHINGTON: WISCONSIN:

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