

## FAT SHACK INC.

# FRANCHISE DISCLOSURE DOCUMENT





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#### FAT SHACK INC.

(a Delaware corporation)
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Fat Shack Inc. is offering franchises for the operation of specialty quick service sandwich restaurants under the name Fat Shack<sup>®</sup>. A Fat Shack<sup>®</sup> Restaurant features "Fat Sandwiches," burgers and wings, together with appetizers, desserts and hot and cold beverages, and related merchandise, for dine in, takeout and delivery. Fat Shack<sup>®</sup> Restaurants specialize in late night delivery of its products to its customers.

The total investment necessary to begin operation of a single FAT SHACK franchise ranges from \$74,450 to \$229,050. This includes between \$25,000 and \$35,750 that must be paid to the franchisor or its affiliates. The franchisor may offer to qualified candidates the right to develop multiple FAT SHACK Restaurants under the terms of an Area Development Agreement, in which case the total investment stated above will increase by an amount equal to \$5,000 times the number of additional FAT SHACK Restaurants to be developed under the Area Development Agreement, which amounts are paid to the franchisor.

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.

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 Franchise 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.

Issuance date: March 29, 2019

FOR USE IN: HI, IL, IN, MD, MN, NY, ND, RI, SD, VA, and WI.



#### 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  $\underline{\text{Attachment } K}$  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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN COLORADO. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN COLORADO THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT COLORADO 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.

We 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 the franchise.

### The Effective Dates of this Disclosure Document for the following states are:

HI:	PENDING	ND:	PENDING
IL:	PENDING	RI:	PENDING
IN:	PENDING	SD:	PENDING
MD:	PENDING	VA:	PENDING
MN:	PENDING	WI:	PENDING
$\mathbf{NV}$ .	DENDING		

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