

## FRANCHISE DISCLOSURE DOCUMENT



**DAQ, Inc.**  
*a Louisiana corporation*  
1115 N. Causeway Blvd., Suite 200  
Mandeville, Louisiana 70471  
Telephone: (504) 831-9415  
E-mail: [franchise@fat-tuesday.com](mailto:franchise@fat-tuesday.com)  
Website: [www.fattuesday.com](http://www.fattuesday.com)

The franchisee will operate a “Fat Tuesday” business providing a menu of distinctive food and beverage items and related approved merchandise (a “**Fat Tuesday Location**”).

The total initial investment necessary to begin operation of a Fat Tuesday Location ranges from \$544,000 to \$931,000 for a “Free Standing” Fat Tuesday Location, and \$479,000 to \$1,079,000 for an “In-Line” Fat Tuesday Location. This includes \$22,500 to \$27,000 that must be paid to the franchisor or its affiliates.

If you sign an area development agreement, your estimated initial investment under that agreement will vary depending on how many Fat Tuesday Locations you agree to develop. This includes a development fee in the amount of \$10,000 that you must pay to us for each Fat Tuesday Location to be developed; so the total amount of the development fee will be subject to our mutual agreement and will vary taking into account a number of factors.

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 James Vitrano at DAQ, Inc., 1115 N. Causeway Blvd. Suite 200, Mandeville, Louisiana 70471 (tel: 504.831.9415).

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](http://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.

The issuance date of this Franchise Disclosure Document is May 30, 2019.

## 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 C 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.

Risk factors:

\*1. THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO LITIGATE AND MEDIATE ONLY IN LOUISIANA. OUT OF STATE LITIGATION OR MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE OR MEDIATE WITH THE FRANCHISOR IN LOUISIANA THAN IN YOUR HOME STATE.

\*2. THE FRANCHISE AGREEMENT STATES THAT THE LAW OF LOUISIANA 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. YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL.

4. FRANCHISEES AND SPOUSES MUST ALSO SIGN A PERSONAL GUARANTEE, MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT IF YOU ARE MARRIED. THE GUARANTEE WILL PLACE YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.

5. THE FRANCHISOR IS UNDERCAPITALIZED AND MAY NOT BE ABLE TO MEET PREOPENING OBLIGATIONS TO ALL FRANCHISEES.

6. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.

7. THE FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (SEE ITEM 21) CALLS INTO QUESTION THE FRANCHISOR'S FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.

8. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

\* Local law may supersede these agreement provisions. Certain states require the superseding provisions to appear in an addendum to this disclosure document (see Exhibits I and J of this disclosure document).

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 the franchise.

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

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/fat-tuesday>