



FRANCHISE DISCLOSURE DOCUMENT

FIVE GUYS®

RECEIVED
 FIVE GUYS ENTERPRISES, LLC
 a Delaware limited liability company
 10718 Richmond Highway
 Lorton, Virginia 22079
 Phone (703) 339-9500
www.fiveguys.com

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 DEPARTMENT OF BUSINESS OVERSIGHT
 SAN FRANCISCO

As a franchisee, you will own and operate a FIVE GUYS® BURGERS AND FRIES fast casual restaurant which specializes in the sale of fresh made burgers and fries prepared in accordance with our recipes and ingredients, and other food items that we may specify periodically

The total investment necessary to establish one FIVE GUYS® restaurant ranges from \$306,200 to \$641,250 (\$381,200 to \$716,250 for Alaska, Hawaii and Puerto Rico) This includes the \$25,000 initial franchise fee, \$50,000 development fee (\$125,000 for restaurants to be located in Alaska, Hawaii, or Puerto Rico), and \$350 for inventory payable to us or our affiliates before your Restaurant opens Your total investment necessary as a developer will vary based on the number of restaurants to be developed

This disclosure document summarizes certain provisions of your franchise agreement and area development agreement and other information in plain English Read this disclosure document and all accompanying agreements carefully You must receive the 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 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 our Franchise Administration Department at 10718 Richmond Highway, Lorton, Virginia 22079, Attn Legal Department, (703) 339-9500, and franchise@fiveguys.com

The terms of your contracts will govern your franchise relationship Do not rely on the disclosure document alone to understand your contract Read all of your contracts carefully Show your contracts 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, DC 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 April 30, 2015



STATE COVER PAGE

You 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 Attachment A 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 AND DEVELOPMENT AGREEMENT REQUIRE THE FRANCHISEE TO SUE OR ARBITRATE WITH THE FRANCHISOR ONLY IN VIRGINIA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST MORE TO ARBITRATE WITH THE FRANCHISOR IN VIRGINIA THAN IN YOUR OWN STATE. THIS PROVISION IS SUPERSEDED BY CERTAIN STATE LAWS, AS LISTED IN EXHIBIT G OF THIS DISCLOSURE DOCUMENT.
- 2 THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATE THAT THE LAW OF THE FRANCHISOR'S HOME STATE 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 FRANCHISE OWNERS AND THEIR SPOUSES MUST SIGN A PERSONAL GUARANTY MAKING SUCH INDIVIDUALS JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER(S) AND SPOUSE(S) AT RISK. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE.
- 4 OUR PARENT COMPANY'S AUDITED FINANCIAL STATEMENTS FOR DECEMBER 31, 2014 REFLECT THAT THE RIGHTS TO DEVELOP 4 NEW FRANCHISE UNITS WERE SOLD AND 56 STORES OPENED IN 2014. THE ITEM 20 TABLE 3 COLUMN "OUTLETS OPENED" TOTALS 56 STORES. PLEASE KNOW THAT THE OTHER 52 STORES OPENED AS A RESULT OF COMMITMENTS SOLD IN CONNECTION WITH DEVELOPMENT AGREEMENTS SIGNED BEFORE 2014.
- 5 THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$306,200 TO \$716,250. THIS AMOUNT EXCEEDS THE FRANCHISOR'S NET WORTH AS OF DECEMBER 31, 2014, WHICH IS (\$102,733,000).
- 6 THE FRANCHISOR MAY ESTABLISH MAXIMUM PRICES FOR THE PRODUCTS SOLD AT A FRANCHISEE'S RESTAURANT FOR A LIMITED TIME, AND THIS MAXIMUM PRICE MUST NOT BE EXCEEDED BY THE FRANCHISEE FOR SUCH PRODUCTS.
- 7 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

State registration effective dates are listed on the following State Registrations Page.

STATE REGISTRATIONS PAGE

This Disclosure Document is registered, on file or exempt from registration in the following states with franchise registration and disclosure laws

STATE	EFFECTIVE DATE
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Utah	
Virginia	
Washington	
Wisconsin	

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