

From: [Castillo, Tracy N.](#)
To: [Spray, Geoffrey \(COMM\)](#)
Cc: [Gilbert, Jan S.](#); [Vilmenay, Diana V.](#); [Williams, Hermione](#)
Subject: Five Guys Franchisor, LLC (the "Franchisor") - File No. 8600
Date: Wednesday, October 17, 2018 11:33:05 AM
Attachments: [REDLINED 2018 Five Guys FDD - 10.17.2018.pdf](#)

Dear Mr. Spray:

Attached is a courtesy copy of the complete redline of the 2018 Five Guys Franchise Disclosure Document, showing the nonmaterial changes that we have made.

Best regards,

Tracy

Tracy N. Castillo

Paralegal

Gray Plant Mooty
The Watergate - Suite 700
600 New Hampshire Ave. NW
Washington, DC 20037

Phone: 202.295.2205
Fax: 202.295.2255

Tracy.Castillo@gpmlaw.com

[Click Here For My Bio](#)



NOTICE: This message is from a law firm, and it may contain or attach confidential information or an attorney-client communication that is confidential and privileged by law. It is not intended for transmission to or receipt by any unauthorized person. If you believe that you have received this message or any attachment in error, simply delete both from your system without reading or copying, and notify the sender by e-mail or by calling 202-295-2200. Thank you.

FRANCHISE DISCLOSURE DOCUMENT

FIVE GUYS®

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

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 \$25,350 that must be paid to franchisor or its affiliates under the franchise agreement, and the \$50,000 per restaurant (\$125,000 per restaurant for restaurants to be located in Alaska, Hawaii, or Puerto Rico) that must be paid to franchisor or its affiliates under the development agreement. You must execute the Development Agreement if you will establish one or more FIVE GUYS® restaurants. 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, [2018, as amended September 18, 2018](#)

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 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.
2. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATE THAT THE LAW OF THE FRANCHISOR'S HOME STATE, THE COMMONWEALTH OF VIRGINIA, 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. YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN THOUGH YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.
4. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$306,200 TO \$716,250. THIS AMOUNT EXCEEDS THE FRANCHISOR'S PARENT'S NET WORTH AS OF DECEMBER 31, 2017, WHICH IS (\$251,862,000).
5. 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.
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/five-guys-burgers-and-fries>