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FRANCHISE DISCLOSURE DOCUMENT

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FRW CORP,
a California Corporation
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El Cajon, CA 92020
(619) 328-0866
www.giantpizzaking.net

FRW CORP dba Giant Pizza King offers franchises for the operation of businesses which offer pizza and grill food restaurants to the general public under the name "Giant Pizza King"

The total investment necessary to begin operations of a Giant Pizza King franchise is \$137,000 to \$202,000. This includes an \$8,000 franchise fee that must be paid to the franchisor or affiliate.

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 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, N W, 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.

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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 Exhibit 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

THERE ARE BUSINESSES OPERATING UNDER THE NAMES “GIANT PIZZA” AND “PIZZA KING” IN CALIFORNIA THAT ARE NOT AFFILIATED WITH THE FRANCHISOR AND THIS MAY CAUSE CUSTOMER CONFUSION

Giant Pizza King brand name is not trademarked and if the right to use the trademark is challenged, the franchisee may have to change to an alternative trademark and brand name at the franchisee’s own expense

THE FRANCHISOR HAS NOMINAL ASSETS

Franchisees are required to spend the greater of 6% of gross revenue or \$2,000 per month on local advertising and may not solicit orders outside of their 2 mile exclusive territory or accept deliveries in another franchisee’s exclusive territory except with Giant Pizza King’s prior consent

Franchisee is required to work on a full-time basis for up to 30 days in a company-owned location

THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO ARBITRATE WITH US ONLY IN CALIFORNIA OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR HOME STATE

THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA 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

THE FRANCHISE AGREEMENT CONTAINS A COVENANT NOT TO COMPLETE WHICH EXTENDS BEYOND THE TERM OF THE FRANCHISE AGREEMENT

THE FRANCHISE AGREEMENT CONTAINS A LIQUIDATED DAMAGES CLAUSE

YOU MUST MAKE MINIMUM PAYMENTS TO THE FRANCHISOR REGARDLESS OF GROSS REVENUE IF YOU FAIL TO DO SO, YOU COULD LOSE YOUR EXCLUSIVE TERRITORY OR THE FRANCHISOR COULD TERMINATE YOUR AGREEMENT AND YOU COULD LOSE YOUR INVESTMENT

THE TERRITORY IS NOT EXCLUSIVE YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS FRANCHISOR CONTROLS

YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTY MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT THE GUARANTY WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

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