



FRANCHISE DISCLOSURE DOCUMENT

GOLD STAR CHILI, INC.

an Ohio corporation

650 Lunken Park Drive

Cincinnati, Ohio 45226

(513) 231-4541

www.goldstarchili.com

The franchisee will establish and operate quick-casual restaurants with limited service offering chili, chili products, and other cuisine (the “Gold Star Restaurant” or “Restaurant”).

The estimated initial investment necessary to begin operation of a Gold Star Restaurant franchise ranges from \$494,000 to \$994,500. This includes \$25,000 (if this is the first Gold Star franchise you have purchased), \$10,000 (if this is your second, third or fourth Gold Star franchise you have purchased) or \$5,000 (if this is your fifth or greater Gold Star franchise you have purchased) that must be paid to the franchisor. The estimate initial investment does not include real estate, related improvement costs or tenant improvement allowances. (See Item 7)

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 any 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 Office Administrator, contact@goldstarchili.com, (513) 231-4541.

The terms of your contract will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contract. Read your entire 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 Buyer 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 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: September 1, 2016

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 G](#) 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 ALL LITIGATION TO OCCUR IN CINCINNATI, OHIO. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE IN CINCINNATI, OHIO THAN IN YOUR HOME STATE. THIS RISK MAY NOT APPLY IF YOUR STATE REQUIRES THAT THIS PROVISION BE VOID.
2. THE FRANCHISE AGREEMENTS STATE THAT OHIO 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. THIS RISK MAY NOT APPLY IF YOUR STATE REQUIRES THAT THIS PROVISION BE VOID.
3. THE FRANCHISE AGREEMENT CONTAINS A WAIVER OF THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM. THIS RISK MAY NOT APPLY IF YOUR STATE REQUIRES THAT THIS PROVISION BE VOID.
4. THE FRANCHISE AGREEMENT CONTAINS A WAIVER OF ANY RIGHT TO, OR CLAIM FOR MULTIPLE, PUNITIVE OR EXEMPLARY DAMAGES. YOUR JUDGMENT IN ANY LITIGATION WILL BE LIMITED TO YOUR ACTUAL DAMAGES. THIS RISK MAY NOT APPLY IF YOUR STATE REQUIRES THAT THIS PROVISION BE VOID.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Please see the [Exhibit G](#), List of State Administrators, for additional state effective dates.

The following states require that a Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Utah, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered in Indiana, with an effective date of September 1, 2016.

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