



HUHOT

MONGOLIAN GRILL®

(Multistate)

FRANCHISE DISCLOSURE DOCUMENT

HUHOT MONGOLIAN GRILLS, L.L.C

A Montana limited liability company

223 East Main Street

Missoula, Montana 59802

(406) 251-4303

Website: www.huhot.com

Email: customer_service@huhot.com

The franchisee will engage in the business of owning and operating a sit-down restaurant specializing in Asian-style food cooked on a grill with an upscale but casual ambiance.

The total initial investment for your Traditional Unit HuHot Restaurant ranges from \$984,000 to \$1,219,000, including \$40,000 you must pay the franchisor. The total initial investment for your Express Unit HuHot Restaurant ranges from \$487,000 to \$632,000, including \$40,000 you must pay the franchisor.

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 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 in different formats, contact Laura Sporrer at 223 East Main Street, Missoula, Montana 59802, phone 406-251-4303, or email at laura.sporrer@huhot.com.

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 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 (“FTC”). You can contact the FTC at 1-888-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.

The Issuance Date of this Franchise Disclosure Document is April 3, 2017.

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 F 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.

THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION OR ARBITRATION ONLY IN MISSOULA, MONTANA. OUT OF STATE LITIGATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE OR ARBITRATE WITH US IN MISSOULA, MONTANA THAN IN YOUR HOME STATE.

THE FRANCHISE AGREEMENT STATES THAT MONTANA 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.

THERE MAY BE A RISK DUE TO THE FACT THAT THE TRADEMARK “NUHU MONGOLIAN EXPRESS” TO BE USED BY ITS EXPRESS RESTAURANTS DOES NOT HAVE A FEDERAL REGISTRATION WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE, AND IF AN ALTERNATIVE TRADEMARK MUST BE ADOPTED AS A RESULT IT MAY INCREASE YOUR EXPENSES.

THE FRANCHISOR AND ITS PARENT HAVE GUARANTEED A \$4.8 MILLION DEBT FOR THE PARENT’S WHOLLY OWNED SUBSIDIARY.

IF YOUR SPOUSE IS INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS, YOUR SPOUSE WILL BE REQUIRED TO SIGN A PERSONAL GUARANTY MAKING THE SPOUSE JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE WHETHER OR NOT THE SPOUSE IS AN OWNER OF THE FRANCHISE.

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