FRANCHISE DISCLOSURE DOCUMENT



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Los Angeles

As a Juan Pollo franchisee you will operate and offer within defined territories a quick serve restaurant outlet providing chicken rotisserie cooked and prepared using proprietary recipes and specified techniques, condiments and ingredients, and other food, beverages and related products and accessories.

The total investment necessary to begin operation of a Juan Pollo restaurant outlet ranges from \$161,000 to \$212,000. This includes the \$24,000 to \$26,000 that must be paid to the franchisor and its affiliates.

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 of disclosures in different formats, contact Albert Okura at 1398 North E Street, San Bernardino, California 92405; telephone (909) 238-0544.

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 "<u>A Consumer's Guide to Buying a Franchise</u>," 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 homepage at <u>www.ftc.gov</u> 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 is June 3 18, 2013.



STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with the 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 E 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:

WE HAVE A LIMITED PRIOR HISTORY IN THE OFFER AND SALE OF FRANCHISES.

THE FRANCHISOR WILL COMPETE WITH THE FRANCHISEE IN ALTERNATIVE CHANNELS OF DISTRIBUTION.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Effective Date: See the next page for state effective dates.



requirement to have been satisfied. All classroom training takes place at or near our national headquarters in San Bernardino, California, or another training center designated by JPF. All on-the-job training takes place in an operating Outlet in or near San Bernardino, California.

The instructional material consists of appropriate handouts and information directly from the Operations Manual. Currently, JPF's principal instructor is Albert Okura, who has been with JPF since inception (July 2011), and who has 27 years experience in the subject matters he teaches. The principal instructor is sometimes assisted by our operations staff and other JPF employees.

JPF does not charge for this training or service for the designated General Manager and one other trainee (each additional trainee may have to pay JPF \$750 per day per person for training). You must pay all travel and living expenses of persons you send to training. Assistance by a JPF operations specialist at the premises of your Outlet for the period immediately preceding the opening of your Outlet and including the opening day is provided without charge.

The successful completion of initial training by your designated General Manager is a condition to your opening of an Outlet to the public, and must be fulfilled within 180 days after you sign the Franchise Agreement. The failure of your designated General Manager to successfully complete the training may result in the termination of your Franchise Agreement; provided that if your designated General Manager fails to complete initial training satisfactorily, you will have the option of sending a replacement approved by us to initial training. You must then reimburse JPF for our costs in providing this replacement training plus a training fee of \$1,500.

Upon reasonable notice, we may require attendance of designated personnel of yours at training courses, seminars, conferences or other programs that are deemed by us to be relevant or appropriate to the operation of your Outlet (see section 6.2(b) of the Franchise Agreement). We may, at our discretion, charge an additional training fee of up to \$750 per day for Juan Pollo training courses, seminars, conferences or other programs that we require you or your representatives to attend. No refresher courses are required.

ITEM 12: TERRITORY

Each Franchise is granted only for one specific Outlet at a site consented to by JPF and listed in Exhibit 1 of the Franchise Agreement. You will receive an <u>franchised exclusive</u> territory ("Territory") within a defined radius (varying from ¼ mile in densely populated urban areas to 2 miles in rural areas, strictly based on population density) of your Outlet as determined by JPF and as specified in Exhibit 1 to your Franchise Agreement. <u>The franchised Territory means that</u> <u>Ss</u>o long as you are in good standing under your Franchise Agreement, JPF will not grant any license or franchise to any other person to operate a Juan Pollo restaurant within your Territory.

You may relocate your Outlet with our written consent, which will not be unreasonably withheld. Not less than 90 days before the desired date of relocation (unless prior notice is impractical because of a required relocation in which event your notice must be given as soon as possible), you must make a written request for consent to relocate, describing the reasons for the relocation and providing complete written details respecting any proposed new location. Within 20 business days after we receive your request, JPF will either approve or disapprove in writing such closure or relocation in our sole discretion. If we disapprove of a proposed This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: https://franchisepanda.com/franchises/juan-pollo