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**FRANCHISE DISCLOSURE DOCUMENT**

Dept. of Business Oversight

La Salsa Franchise, LLC

A Delaware limited liability company

320 Commerce, Suite 100

Irvine, California 92602

949-270-8901

[www.lasalsa.com](http://www.lasalsa.com)

La Salsa Franchise, LLC, offers franchises for the operation of quick service taqueria' restaurants at specified locations selling a limited menu featuring fresh high quality Mexican-style food products, soft drinks and related items to the public under the trade name La Salsa®

We offer 5 franchise programs

**Single Restaurant Program** Under the Single Restaurant Program, you will sign a Franchise Agreement to operate a single La Salsa® Traditional Restaurant. The total investment necessary to begin operations of a single La Salsa® Traditional Restaurant, ranges from approximately \$448,950 to \$750,040. This includes \$60,250 that must be paid to the franchisor or an affiliate.

**3 Restaurant Purchase Program** Under the 3 Restaurant Purchase Program, you will sign 3 Franchise Agreements to operate 3 La Salsa® Restaurants. The total investment necessary to begin operations of La Salsa® Restaurants, ranges from approximately \$1,296,350 to \$2,199,620. This includes \$130,250 that must be paid to the franchisor or an affiliate.

**Area Development Program** Under the Area Development Program, we assign a defined area within which you must develop and operate a minimum of 5 La Salsa® Restaurants within a specified period of time. The total investment necessary to begin operations of 5 La Salsa® Restaurants under an Area Development Agreement ranges from approximately \$448,950 to \$750,040 per La Salsa Restaurant or \$2,203,750 to \$3,709,200 for a minimum of 5 La Salsa® Restaurants. This includes \$260,250 (that must be paid to the franchisor or an affiliate).

**Purchase Program** Under the Purchase Program, you will either purchase an existing and operating company-owned La Salsa® Restaurant from LAS Acquisition, LLC (an **Operating Restaurant**'), or a new La Salsa® Restaurant that LAS Acquisition, LLC, constructs, equips and furnishes for you (a **"Turnkey Restaurant"**). The total investment necessary to begin operations of an Operating Restaurant or a Turnkey Restaurant ranges from approximately \$420,450 to \$2,172,950. This includes \$372,250 to \$2,085,250 that must be paid to the franchisor or an affiliate.

**Express Restaurant Program** Under the Express Restaurant Program, you will operate a La Salsa® Express Restaurant at a captive market location. The total investment necessary to begin operations of a single La Salsa® Express Restaurant at a captive market location ranges from approximately \$207,050 to \$487,450. This includes \$35,250 for each La Salsa® Express Restaurant that must be paid to the franchisor or an affiliate.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other

information in plain English. Read the 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 payments 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 Chief Executive Officer, Charles Rink, 320 Commerce, Suite 100, Irvine, California 92602.

The terms of your contract will govern your franchise relationship. Do not 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 1-877-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](http://www.ftc.gov) for additional information.

There may also be laws on franchising in your state. Ask your state agencies about them.

**THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS APRIL 2, 2014**

## 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 THIS FRANCHISE WITH A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT**

Call the state franchise administrator listed on Exhibit N 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 INITIAL TRAINING AGREEMENT, FRANCHISE AGREEMENT EXPRESS RESTAURANT FRANCHISE AGREEMENT, AREA DEVELOPMENT AGREEMENT AND ASSET PURCHASE AGREEMENT REQUIRE THE FRANCHISEE/DEVELOPER/BUYER TO RESOLVE DISPUTES WITH LA SALSA FRANCHISE, LLC, BY MEDIATION IN ORANGE COUNTY, CALIFORNIA AND ARBITRATION ONLY IN LOS ANGELES, CALIFORNIA. OUT OF STATE MEDIATION/ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO PARTICIPATE IN A MEDIATION/ARBITRATION PROCEEDING WITH LA SALSA FRANCHISE, LLC, IN CALIFORNIA THAN IN YOUR HOME STATE

2 THE FRANCHISE AGREEMENT, EXPRESS RESTAURANT FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT CALIFORNIA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS

3 THE FRANCHISE AGREEMENT REQUIRES ALL PRESENT AND FUTURE OWNERS OF A 10% OR MORE, DIRECTLY OR INDIRECTLY, IN THE AGGREGATE, OF THE EQUITY OR YOUR VOTING RIGHTS, INCLUDING SPOUSES (AND FAMILY MEMBERS WHO LIVE IN THE SAME HOUSEHOLD) AND AFFILIATES TO SIGN A WRITTEN GUARANTEE OF PAYMENT AND PERFORMANCE OF OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF OWNERS, SPOUSES AND FAMILY MEMBERS AT RISK

4 YOU ARE NOT GRANTED AN EXCLUSIVE TERRITORY UNDER THE FRANCHISE AGREEMENT

5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

**SEE THE NEXT PAGE FOR STATE EFFECTIVE DATES**

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