

FRANCHISE DISCLOSURE DOCUMENT

MAX'S FRANCHISE, INC.
(A California Corporation)
120 East Grand Avenue
South San Francisco, CA 94080
(650) 873-6297
www.maxsworld.com

RECEIVED
DEPT OF CORPORAT
SAN FRANCISCO

'09 APR 10 A9



The franchise being offered is to establish and operate a Max's restaurant. A Max's restaurant is a restaurant and bar that serves a large variety of America's favorite foods (including delicatessen food) in substantial portions with an upscale style, piano bar entertainment, and food festivals.

The total investment necessary to begin operation of a Max's restaurant is \$2,019,500 to \$2,177,000. There are no initial fees that must be paid to us or our 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, 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: April 3, 2009

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 A 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 YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN CALIFORNIA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.**

2. **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.**

3. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

Effective Date in California: _____, 2009

TABLE OF CONTENTS

	<u>Page</u>
ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1
ITEM 2 BUSINESS EXPERIENCE.....	2
ITEM 3 LITIGATION.....	3
ITEM 4 BANKRUPTCY.....	3
ITEM 5 INITIAL FEES.....	3
ITEM 6 OTHER FEES.....	3
ITEM 7 ESTIMATED INITIAL INVESTMENT.....	5
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	7
ITEM 9 FRANCHISEE'S OBLIGATIONS.....	9
ITEM 10 FINANCING.....	10
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING.....	10
ITEM 12 TERRITORY.....	13
ITEM 13 TRADEMARKS.....	14
ITEM 14 PATENTS, COPYRIGHTS AND OTHER PROPRIETARY INFORMATION.....	15
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS.....	16
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	16
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....	16
ITEM 18 PUBLIC FIGURES.....	19
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS.....	19
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION.....	19
ITEM 21 FINANCIAL STATEMENTS.....	21
ITEM 22 CONTRACTS.....	21
ITEM 23 RECEIPTS.....	21
EXHIBIT A	List of State Administrators
EXHIBIT B	List of Agents for Service of Process
EXHIBIT C	Table of Contents for Operating Manual
EXHIBIT D	Financial Statements
EXHIBIT E	Max's Restaurant Franchise Agreement
EXHIBIT F	List of Franchisees
EXHIBIT G	Business Purchase Agreement
EXHIBIT H	Assignment of Lease and Release
EXHIBIT I	Supply Agreement
EXHIBIT J	Indemnification and Reimbursement Agreement
EXHIBIT K	State Addendum
EXHIBIT L	Receipt

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/maxs>