

FRANCHISE DISCLOSURE DOCUMENT



MOOYAH Franchising, LLC
a Delaware limited liability company
6865 Windcrest Drive, Suite 400
Plano, Texas 75024
214-310-0768
franchiseinfo@MOOYAH.com
www.MOOYAH.com

The franchise offered is for the establishment and operation of a fast casual restaurant offering high-quality hamburgers, other sandwiches, fries, shakes and related food and beverage items under the “MOOYAH®” name and marks. The total investment necessary to begin operation of a MOOYAH® restaurant ranges from \$402,750 to \$564,400. This includes \$40,000 that must be paid to the franchisor and/or its affiliate.

On your request, the franchisor may also allow you to sign an area development agreement under which you will receive an exclusive development area in exchange for committing to acquire multiple franchises (by signing multiple franchise agreements) and to opening a MOOYAH® restaurant under each franchise agreement in accordance with a development schedule. If and when you sign an area development agreement, you must pay the franchisor a development fee of \$25,000 times the number of franchises (less one) that you agree to acquire. While the franchisor and you may agree to deviate from it, the franchisor’s standard area development program requires that you commit to acquiring either 3 or 5 franchises, in which case the development fee would be either \$50,000 (for a 3-franchise commitment) or \$100,000 (for a 5-franchise commitment). The development fee is the only investment you are required to make when signing the area development agreement (but see the 1st paragraph above for a description of the investment under each franchise agreement), and it is paid entirely to the franchisor. You must sign the franchise agreement and pay the initial franchise fee for the first franchise you agree to acquire at the same time you sign the area development agreement. As you sign each subsequent franchise agreement, the franchisor will apply the development fee, in \$25,000 increments, as a credit toward the initial franchise fee due under each such franchise agreement.

This Disclosure Document summarizes certain provisions of your franchise agreement, multi-unit 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.**

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 Franchise Sales Department at 6865 Windcrest Drive, Suite 400, Plano, Texas 75024 and 214-310-0768.

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, DC 20580. You can also visit the FTC’s home page at

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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: March 28, 2019, as amended May 28, 2019

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 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:

1. THE FRANCHISE AGREEMENT AND MULTI-UNIT OPERATOR AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION IN TEXAS. OUT OF STATE ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE AND LITIGATE WITH US IN TEXAS THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND MULTI-UNIT OPERATOR AGREEMENT STATE THAT TEXAS 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. YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN THOUGH YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.
4. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE SYSTEM WITH A LONGER OPERATING HISTORY.
5. THE FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (SEE ITEM 21), CALLS INTO QUESTION THE FRANCHISOR'S ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.
6. IN THE LAST YEAR, A HIGH PERCENTAGE OF FRANCHISED OUTLETS CEASED OPERATIONS. THIS FRANCHISE COULD BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LOWER TURNOVER RATE.
7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for

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