



## FRANCHISE DISCLOSURE DOCUMENT

Restaurant Developers Corp. an Ohio Corporation 7002 Engle Road Suite #100 Middleburg Heights, Ohio 44130 (440) 625-3080 kmoorman@mrhero.com

www.mrhero.com

The franchisee will operate a quick-service restaurant under the name Mr. Hero® at mall food courts, strip centers and similar locations.

The initial franchise fee for a Mr. Hero Restaurant is \$16,500. In addition, there is a grand opening fee of \$3,500. The franchise fee and grand opening fee totaling \$20,000 is due upon your signing of the Franchise Agreement. The initial investment is \$187,700 to \$270,000 for a Mr. Hero Restaurant.

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. 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, such as 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 use the FTC's home page at <a href="www.ftc.gov">www.ftc.gov</a> 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: May, 2014



## **SPECIAL RISK FACTORS**

- 1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN OHIO. 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 OHIO THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT OHIO 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. THE FRANCHISOR IS NOT OBLIGATED BY THE FRANCHISE AGREEMENT OR OTHERWISE TO PROTECT YOUR RIGHT TO USE THE FRANCHISOR'S TRADEMARKS, SERVICE MARKS, TRADE NAMES, LOGO TYPES OR OTHER COMMERCIAL SYMBOLS, AND, IS NOT OBLIGATED TO PROTECT YOU AGAINST CLAIMS OF INFRINGEMENT OR UNFAIR COMPETITION.
- 4. THE FRANCHISOR RESERVES THE RIGHT TO ESTABLISH COMPANY-OWNED OR FRANCHISED OPERATIONS SELLING SIMILAR PRODUCTS OR SERVICES AS THOSE DESCRIBED HEREIN BUT UNDER A DIFFERENT TRADEMARK.
- 5. THE FRANCHISEE WILL NOT BE GRANTED ANY EXCLUSIVE TERRITORY.
- 6. 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.
- 7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

REGISTRATION OF THIS FRANCHISE WITH ANY STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE ADMINISTRATOR LISTED IN EXHIBIT C.



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