

# FRANCHISE DISCLOSURE DOCUMENT

## MUCHO BURRITO FRANCHISING USA, INC.

16420 N 92nd Street  
Suite E120  
Scottsdale, Arizona, 85260  
1-888-729-7482  
seanb@muchoburrito.com  
www.muchoburrito.com



The franchise is offered for the rights to operate a franchised restaurant from The Mucho Burrito Franchise USA, Inc. (“**Mucho Burrito**”), which specializes in fast casual restaurants offering burritos, quesadillas, tacos, nachos, and other assorted foods and drinks, including an option Mexican beer program and other menu items related to the Mucho Burrito concept-, as we may authorize from time to time, using the trade name MUCHO BURRITO™. At our discretion, we may offer to qualified candidates a Multiple Unit Purchase Agreement, pursuant to which the Multiple Unit Operator obtains the right to develop and operate a prescribed number of Mucho Burrito Restaurants. We also offer to select qualified persons and/or companies the opportunity to acquire the right to license our Marks and confidential recipes for use in operating at a food facility that services colleges, universities and other institutions.

The total investment necessary to begin operation of a Mucho Burrito franchise ranges between \$278,500 and \$650,000, including an Initial Franchise Fee of \$25,000, a lease negotiation fee of up to \$3,000, and \$75,000-\$150,000 for the purchase of equipment and furniture, for a total of \$100,000 to \$153,000 that must be paid to the franchisor. If you sign a Multiple Unit Purchase Agreement, you will also pay a \$5,000 Multiple Unit Development Fee for each Mucho Burrito franchise. If you sign an Institutional License, you will also pay \$7,500 for each Mucho Burrito License.

The disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully. You must receive this disclosure document at least 14 days before you sign a binding agreement or make any payment in connection with the franchise sale or grant. **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 Sean Black at 2187 Dunwin Drive, Mississauga, Ontario L5L 1X2, 1-888-729-7482 ext. 14.

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 an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. Information comparing franchisors is available. Call your state agency or your public library for sources of information. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” is available from the FTC. 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 [www.ftc.gov](http://www.ftc.gov) for additional information

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

**Issuance Date: April 30, 2013, as amended June 13, 2013**

## 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN PHOENIX, ARIZONA. 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 PHOENIX, ARIZONA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT ARIZONA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We 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 selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

## FRANCHISE DISCLOSURE DOCUMENT EFFECTIVE DATES IN DESIGNATED STATES

The following states require that the Disclosure Document be registered or filed with the state or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file, exempt from registration, or otherwise effective in the following states with franchise registration and disclosure (or business opportunity\*) laws as of the dates listed:

|              |                |                                  |
|--------------|----------------|----------------------------------|
| California   | Not registered |                                  |
| Florida      | Effective date | July 30, 2012                    |
| Hawaii       | Not registered |                                  |
| Illinois     | Not registered |                                  |
| Indiana      | Not registered |                                  |
| Kentucky*    | Not registered |                                  |
| Maryland     | Not registered |                                  |
| Michigan     | Not registered |                                  |
| Minnesota    | Not registered |                                  |
| Nebraska*    | Not registered |                                  |
| New York     | Effective date | Pending                          |
| North Dakota | Not registered |                                  |
| Rhode Island | Not registered |                                  |
| South Dakota | Not registered |                                  |
| Texas*       | Effective date | July 30, 2010                    |
| Utah         | Not registered |                                  |
| Virginia     | Not registered |                                  |
| Washington   | Effective date | March 25, 2013, as amended _____ |
| Wisconsin    | Not registered |                                  |

In all other states, the effective date of this Franchise Disclosure Document is April **30, 2013, as amended June 13, 2013.**

\* Denotes one time filing

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