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FRANCHISE DISCLOSURE DOCUMENT

NACHORIA FRANCHISE, LLC
a California limited liability company
405 Primrose Rd #200
Burlingame, California 94010
(650) 581-1321
Website www.nachoria.com
Email franchise@fatedbrands.com



The franchise offered is for a quick-serve “Nachoria” restaurant offering nachos, tacos, burritos, enchiladas, quesadillas, salads, appetizers, desserts, soft drinks and alcoholic beverages. A Nachoria restaurant offers lunch and dinner menus and operates using the franchisor’s proprietary recipes, formulae, techniques, trade dress, trademarks and logos.

The total investment necessary to begin operation of a Nachoria Restaurant franchise is \$305,000 to \$496,500. This includes \$30,000 that must be paid to the franchisor and/or its affiliates, as appropriate.

If you enter into a Multi-Unit Development Agreement to develop up to four restaurants, when you sign the Multi-Unit Development Agreement you will pay a development fee equal to 100% of the initial franchise fee for the first restaurant to be developed, plus 50% of the initial franchise fee for each additional restaurant to be developed under the Multi-Unit Development Agreement. If you choose to develop four restaurants under a Multi-Unit Development Agreement, the total estimated investment is \$352,000 to \$544,500. This includes a development fee of \$75,000 that must be paid to the franchisor and/or its affiliates.

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 the 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 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 Jim Kirks at 405 Primrose Rd #200, Burlingame, California 94010, and franchise@fatedbrands.com.

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 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 October 31, 2018

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 I 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 DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION AND LITIGATION ONLY IN CALIFORNIA OUT-OF-STATE ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE AND LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE
- 2 THE FRANCHISE AGREEMENT AND MULTI-UNIT 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 FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$305,000 to \$496,500 THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF OCTOBER 23, 2018, WHICH IS \$150,000
- 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 IN A SYSTEM WITH A LONGER OPERATING HISTORY
- 5 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

Effective date See the next page for state effective dates

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