

FRANCHISE DISCLOSURE DOCUMENT



Old Chicago Franchising LLC
A Delaware Limited Liability Company
8001 Arista Place, Suite 500
Broomfield, CO 80021
Phone: (303) 664-4000
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www.oldchicago.com
www.ocfranchising.com

Old Chicago restaurants (“Old Chicago Restaurant(s)” or “Restaurant(s)”) are full-service neighborhood restaurants that feature a welcoming casual dining atmosphere, Chicago-style deep dish pizza, pasta, calzones, burgers and sandwiches and related food items and beverages featuring our wide ever-changing selection of the best local and regional craft beers as well as a full range of imported and mass domestic beers. Each Old Chicago Restaurant serves as the local craft beer authority and participates in our industry leading loyalty program featuring the distinctive and engaging “World Beer Tour” as well as our exclusive Explorer Series and Mini Tours. We offer area development franchises (“Area Development Franchise(s)”) for the right to open multiple Restaurants in a designated area. Area developers sign individual franchise agreements for each Restaurant. We primarily offer Area Development Franchises, but we may offer single Restaurant franchises in certain situations.

The total investment necessary to begin operation of an Old Chicago Restaurant franchised business is between \$1,331,500 and \$2,219,000. This includes \$98,250 and \$397,250 that must be paid to the franchisor or its affiliates. The total investment necessary for an Area Development Franchise includes the investment necessary to begin operation of one Restaurant, plus a development fee of \$50,000, plus an initial franchise fee deposit of \$20,000 multiplied by the number of Restaurants (excluding the first Restaurant) which you must open. The estimated total investment necessary to begin operation of an Old Chicago Area Development Franchise is between \$1,401,500 (for two Restaurants) and \$2,449,000 (for ten Restaurants). This includes between \$168,250 and \$627,250 that must be paid to the franchisor 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 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 disclosure document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosure in different formats, contact Mark Belanger at 8001 Arista Place, Suite 500, Broomfield, CO 80021, and (303) 664-4000.

The terms of your contract will govern your franchise relationship. Do not rely on this 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.

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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 franchises 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 AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION, MEDIATION OR LITIGATION ONLY IN THE PRINCIPAL CITY CLOSEST TO OUR PRINCIPAL PLACE OF BUSINESS (CURRENTLY BROOMFIELD, COLORADO.) OUT-OF-STATE ARBITRATION, MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT OF DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE, MEDIATE OR LITIGATE WITH US IN COLORADO THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT COLORADO 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. YOUR SPOUSE MUST SIGN A DOCUMENT, SUCH AS A GUARANTEE, THAT MAKES YOUR SPOUSE LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN IF YOUR SPOUSE DOES NOT OWN ANY PART OF THE FRANCHISE BUSINESS. BOTH YOU AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, INCLUDING YOUR HOUSE, COULD BE LOST IF YOUR FRANCHISE FAILS.
4. THE FRANCHISEE OR AREA DEVELOPER WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$1,331,500 TO \$2,449,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS' EQUITY AS OF DECEMBER 31, 2018, WHICH IS (\$67,884).
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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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