

**FRANCHISE DISCLOSURE DOCUMENT**

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DEPARTMENT OF  
BUSINESS OVERSIGHT  
SAN FRANCISCO



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a Nevada corporation  
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The franchise offered in this Disclosure Document is for the establishment and operation of casual dining restaurants offering Mediterranean-style cuisine made from scratch with fresh and healthy ingredients ("Panini Kabob Grills") The Panini Kabob Grills offer table service and carry-out, and are identified by the trade name "Panini Kabob Grill Healthier Mediterranean Food"

The total investment necessary to begin operation of a Panini Kabob Grill franchise is \$1,196,050 to \$1,996,050 This includes \$56,050 that must be paid to the franchisor or affiliate The total estimated investment necessary to begin operations of a Panini Kabob Grill franchise pursuant to an Area Development Agreement, which requires development of a minimum of three (3) Panini Kabob Grills, ranges from \$1,240,050 to \$2,040,050 This includes \$100,050 that must be paid to the franchisor or its affiliate

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**

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, please contact Mike Rafipoor or Hansen Kamci at MRFranchise, Inc , at 17835 Sky Park Circle, Suite H, Irvine, California 92614, or at (949) 537-3850

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, D C 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 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 A 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 THE AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY, FIRST, A FACE-TO-FACE MEETING, SECOND, NON-BINDING MEDIATION, AND THIRD, BINDING ARBITRATION, IN THE COUNTY IN WHICH OUR THEN-CURRENT HEADQUARTERS IS LOCATED, WHICH IS CURRENTLY, ORANGE COUNTY, CALIFORNIA. OUT-OF-STATE MEDIATION/ARBITRATION MAY FORCE YOU TO ACCEPT LESS FAVORABLE SETTLEMENT DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE/ARBITRATE WITH US IN THE COUNTY IN WHICH OUR THEN-CURRENT HEADQUARTERS IS LOCATED THAN IN YOUR STATE. YOU AND WE WILL GENERALLY BEAR EACH OF OUR OWN COSTS IN ANY DISPUTE, BUT THE ARBITRATOR CAN ASSESS COSTS (BUT NOT ATTORNEY'S FEES) AGAINST A LOSING PARTY

2 IF YOU ARE A CORPORATION, PARTNERSHIP OR LIMITED LIABILITY COMPANY, WE WILL REQUIRE EACH OWNER OF A 10% OR MORE INTEREST IN YOU AND HIS/HER SPOUSE TO SIGN A GUARANTY AND ASSUMPTION OF OBLIGATIONS OF YOUR OBLIGATIONS CAUSING EACH OWNER (AND THE OWNERS' SPOUSE) TO BECOME JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT AND THE AREA DEVELOPMENT AGREEMENT. THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF OWNERS AND SPOUSES AT RISK

3 THE FRANCHISE AGREEMENT AND THE AREA DEVELOPMENT AGREEMENT PROVIDE THAT THE LAWS OF THE STATE OF CALIFORNIA GOVERN THE AGREEMENT AND THAT LAW MAY NOT PROVIDE YOU WITH THE SAME RIGHTS AND PROTECTIONS AS YOUR LOCAL LAW. YOU MAY WANT TO CONSULT AN ATTORNEY REGARDING COMPARISON OF THESE LAWS

4 THE FRANCHISOR IS AT AN EARLY STATE 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 WE DO NOT HAVE A FEDERAL REGISTRATION OF OUR PRINCIPAL TRADEMARK. THEREFORE, OUR TRADEMARK DOES NOT HAVE AS MANY LEGAL BENEFITS AND RIGHTS AS A FEDERALLY-REGISTERED TRADEMARK. IF OUR RIGHT TO USE THE TRADEMARK IS CHALLENGED, YOU MAY HAVE TO CHANGE TO AN ALTERNATIVE TRADEMARK, WHICH MAY INCREASE YOUR EXPENSES

6 YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL

7 FRANCHISOR MAY REDUCE THE NUMBER OF PANINI KABOB GRILLS TO BE DEVELOPED BY AN AREA DEVELOPER IF YOU FAIL TO (I) MEET THE DEVELOPMENT SCHEDULE UNDER YOUR AREA DEVELOPMENT AGREEMENT, (II) FAIL TO COMPLY WITH ANY OTHER TERM OR CONDITION OF YOUR AREA DEVELOPMENT AGREEMENT, OR (III) FAIL TO COMPLY WITH ANY INDIVIDUAL FRANCHISE AGREEMENTS SIGNED BY YOU

8 THERE MAY BE OTHER RISKS CONCERNING THE FRANCHISE

Effective Date See the next page for state effective dates

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