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FRANCHISE DISCLOSURE DOCUMENT

Pokeatery Restaurant Group LLC
a California limited liability company
407 S B Street
San Mateo, California 94401
(650) 389-2672
www.pokeatery.com
joann@pokeatery.com

**P O K E A T E R Y**

The franchise offered is for quick-service restaurant specializing in a Hawaiian Asian fusion menu item known as Poke. Poke is a raw fish salad found in Hawaiian cuisine. The franchise offers healthy customized raw seafood, tofu and vegetarian salads, soups and beverages. The franchise operates under the name "Pokeatery®" and offers dine-in and take-out services. You may serve beer and wine with our prior written approval. Delivery and catering services can be provided from the restaurant with prior our written approval.

The total investment necessary to begin operation of a franchise is \$228,795 to \$485,150. This includes \$40,000 to \$64,000 that must be paid to the franchisor and/or its affiliates.

If you enter into a Multi-Unit Operator Agreement to develop multiple restaurants, you will pay a development fee when you sign the Multi-Unit Operator Agreement. To enter into a Multi-Unit Operator Agreement, you will commit to develop a minimum of 5 restaurants. If you commit to develop between 5 and 9 restaurants, you will pay a development fee of 100% of the initial franchise fee for 3 restaurants, plus a deposit of 50% of the initial franchise fee for each additional restaurant. If you commit to develop 10 or more restaurants, you will pay a development fee of 100% of the initial franchise fee for 5 restaurants, plus a deposit of 50% of the initial franchise fee for each additional restaurant. The total estimated investment under a Multi-Unit Operator Agreement for 5 restaurant franchises, including the costs to build and equip the first restaurant, is \$318,795 to \$577,150. This includes \$120,000 that must be paid to the franchisor and/or its affiliates. The total investment under a Multi-Unit Operator Agreement will vary depending on the number of restaurants to be developed.

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 Joann Chung, 407 S B Street, San Mateo, California, 94401 and (650) 389-2672.

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

Pokeatery/ufdd 03a

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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Pokeatery/ufdd-03a

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 OPERATOR AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION AND LITIGATION ONLY IN CALIFORNIA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE AND LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.
- 2 THE FRANCHISE AGREEMENT AND MULTI-UNIT OPERATOR 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 THIS NEW FRANCHISOR HAS BEEN IN BUSINESS FOR SUCH A SHORT PERIOD OF TIME THAT ITS FRANCHISES ARE A HIGHER RISK INVESTMENT THAN FRANCHISORS WITH A LONGER-TERM OPERATING HISTORY.
- 4 THE TERRITORY IS NOT EXCLUSIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS. FRANCHISOR CONTROLS.
- 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 next page for state effective dates

Pokeatery/ufdd 03a

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