



FRANCHISE DISCLOSURE DOCUMENT

PORT OF SUBS, INC. (A Nevada Corporation) 5365 Mae Anne Avenue, Suite A-29 Reno, Nevada 89523 www.portofsubs.com (775) 747-0555

The Franchisee will operate a restaurant facility for the on-premises and off-premises consumption of a wide variety of made-to-order submarine-type sandwiches, hot sandwiches, salads, catering trays, wraps, deserts, beverages and other quick service food items. Additionally, Port of Subs offers a pre-made line of food products that are produced and sold at non-traditional locations. The product line is called Port of Subs Crafted to Go® (CTG). This program is optional, and Franchisee must qualify for this program.

The total investment necessary to begin operation of a Port of Subs *traditional* franchise is \$220,100 - \$399,200. This includes a \$18,500 - \$15,000 initial franchise fee that must be paid to the Franchisor, except for the fee for a qualified United States Veteran, which is \$10,000.

The total investment necessary to begin operation of a Port of Subs *non-traditional* franchise is \$163,700 - \$473,100. This includes a \$12,000 - \$10,000 initial franchise fee that must be paid to the Franchisor, except for the fee for a qualified United States Veteran, which is \$10,000.

The total investment necessary to begin operation of a Port of Subs *Co-branded* franchise is \$150,000-\$200,000, for Port of Subs requirements only. This includes a \$15,000 - \$12,000 initial franchise fee that must be paid to Franchisor, except for the fee for a qualified United States Veteran, which is \$10,000.

The total investment necessary to begin operation of a Port of Subs *Converted Sub Shop* franchise is \$136,500 - \$233,600. This includes a \$10,000 initial franchise fee that must be paid to the Franchisor

In addition, Port of Subs offers Area Development Agreement(s) for *traditional, non-traditional,* and *Co-branded* restaurants for the right to develop more than one Port of Subs restaurant within a designated area and the additional franchise fee is \$15,000 - \$10,000 per additional restaurant. Fifty percent (50%) of these fees must be paid to the Franchisor upon execution of the Area Development Agreement.

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 fourteen (14) calendar days before you sign a binding agreement with, or make any payment to, the franchisor in connection with the proposed franchise sale. **Please note that no government agency has verified the information contained in this document.**

Issuance Dates: FTC States – California – Utah –



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 the Franchise Sales Department at Port of Subs, Inc., 5365 Mae Anne Avenue, Suite A-29, Reno, Nevada 89523, (775) 747-0555.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to a financial advisor, lawyer and/or 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 "<u>A Consumer's Guide to Buying a Franchise</u>," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-202-326-2222 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 <u>www.ftc.gov</u> for additional information. Please 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 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 **SPECIAL RISK FACTORS** before you buy this franchise:

- 1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN NEVADA. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE OR LITIGATE IN NEVADA THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT NEVADA 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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

REGISTRATION OF THIS FRANCHISE WITH THE STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE STATE ADMINISTRATORS LISTED IN EXHIBIT "A".

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