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Department of Business Oversight  
Los Angeles Office**FRANCHISE DISCLOSURE DOCUMENT**

Potbelly Franchising, LLC  
An Illinois limited liability company  
111 North Canal Street, Suite 850  
Chicago, Illinois 60606  
(312) 951-0600  
franchise@potbelly.com  
www.potbelly.com

The franchise is to operate a Shop under the “POTBELLY SANDWICH WORKS” trademark that sells sandwiches, soups, salads, shakes, desserts, and other food and beverage products.

The total investment necessary to begin operation of each Potbelly Shop franchise is \$564,050 to \$782,700 for a non-Drive Thru location and \$605,800 to \$846,000 for a Drive Thru location. This includes \$52,000 to \$62,000 that must be paid to the franchisor or affiliate. If you want development rights, you must pay the franchisor a development fee equal to \$40,000 (the initial franchise fee for the first Shop) plus a \$20,000 deposit for each additional Shop.

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, contact Susan Cory at Potbelly Franchising, LLC, 111 North Canal Street, Suite 850, Chicago, Illinois 60606, (312) 334-5811, [susan.cory@potbelly.com](mailto:susan.cory@potbelly.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, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://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 of this Franchise Disclosure Document: April 25, 2017, as amended December 14, 2017

POTBELLY AMENDED FDD (12/2017)  
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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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION AND LITIGATION ONLY IN CITY AND STATE WHERE WE HAVE OUR PRINCIPAL BUSINESS ADDRESS WHEN THE ACTION IS COMMENCED (IT CURRENTLY IS IN CHICAGO, ILLINOIS). 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 OUR HOME CITY AND STATE THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT REQUIRES THAT ILLINOIS 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. YOU HAVE NO TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS FRANCHISOR CONTROLS.
4. ALL THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER(S) AT RISK.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

## POTBELLY FRANCHISING, LLC

### STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This Franchise Disclosure Document is registered, on file, or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California	May 2, 2017, as amended _____ [pending] _____, 2017
Illinois	May 1, 2017, as amended December 15, 2017
Indiana	May 1, 2017, as amended December 14, 2017
Michigan	April 25, 2017, as amended December 14, 2017
Minnesota	June 8, 2017, as amended _____ [pending] _____, 2017
New York	July 13, 2017, as amended _____ [pending] _____, 2017
North Dakota	May 11, 2017, as amended _____ [pending] _____, 2017
South Dakota	May 1, 2017, as amended December 14, 2017
Virginia	June 1, 2017, as amended December 15, 2017
Washington	June 13, 2017, as amended _____ [pending] _____, 2017
Wisconsin	April 28, 2017, as amended December 14, 2017

In all other states without franchise registration laws, the effective date of this Franchise Disclosure Document is the issuance date of April 25, 2017, as amended December 14, 2017.

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