



## FRANCHISE DISCLOSURE DOCUMENT

Issuance Date: March 30, 2007 As Amended February 1, 2008



## FRANCHISE DISCLOSURE DOCUMENT



## **OUIZNO'S FRANCHISING II LLC**

(a Delaware limited liability company) 1475 Lawrence Street Suite 400 Denver, Colorado 80202

Telephone: (720) 359-3300

www.quiznos.com quiznosfranchises.com

Quizno's Franchising II LLC ("we" or "us") is offering franchises to operate a restaurant offering submarine and other sandwiches, salads, soups, soft drinks and related other products under the service mark "QUIZNOS" and "QUIZNOS SUB." The total investment necessary to begin operation of a traditional QUIZNOS Restaurant ranges from \$215,000 to \$283,160. This includes \$127,150 to \$141,110 that must be paid to the franchisor or its affiliate, but does not include rent for the Franchised Location. (See Footnote 10, Item 7)

The total investment necessary to begin operation of a non-traditional QUIZNOS Restaurant ranges from \$88,200 to \$323,860. This includes \$69,200 to \$114,560 that must be paid to the franchisor or its affiliate, but does not include rent for the Franchised Location.

The total investment necessary to begin operation of a non-traditional QUIZNOS Kiosk ranges from \$77,500 to \$199,500. This includes \$61,000 to \$115,500 that must be paid to the franchisor or its affiliate.

The total investment necessary to begin operation of a non-traditional QUIZNOS Cooler ranges from \$26,800 to \$28,800. This includes \$21,800 to \$28,800 that must be paid to the franchisor or its affiliate.

This Franchise Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Franchise Disclosure Document and all accompanying agreements carefully. You must receive this Franchise 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 Franchise Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Laura Sporrer, 1475 Lawrence Street, Suite 400, Denver, Colorado 80202, (720) 359-3300, <u>Lsporrer@quiznos.com</u>.

The terms of your contract will govern your franchise relationship. Don't rely on the Franchise Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Franchise Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Franchise 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 Franchise 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 <a href="www.ftc.gov">www.ftc.gov</a> 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 FRANCHISE DISCLOSURE DOCUMENT.

Call the state franchise administrators listed in <u>Exhibit A</u> 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 LITIGATION ONLY IN COLORADO. ALSO, ANY LEGAL ACTION THAT WE BRING AGAINST YOU WILL BE FILED ONLY IN COLORADO. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT ALSO MAY COST YOU MORE TO LITIGATE WITH US IN COLORADO THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT COLORADO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. SOME STATE FRANCHISE LAWS PROVIDE THAT CONSENT TO JURISDICTION AND CHOICE OF LAW PROVISIONS ARE VOID OR SUPERSEDED. YOU MIGHT WANT TO INVESTIGATE WHETHER YOU ARE PROTECTED BY A STATE FRANCHISE LAW. YOU SHOULD REVIEW ANY ADDENDA OR RIDERS ATTACHED TO THIS FRANCHISE DISCLOSURE DOCUMENT FOR DISCLOSURES REGARDING STATE FRANCHISE LAWS.
- 4. AS OF DECEMBER 31, 2007, 1146 QUIZNOS FRANCHISEES HAD NOT OPENED THEIR RESTAURANTS WITHIN 12 MONTHS OF SIGNING THE FRANCHISE AGREEMENT. THIS NUMBER REPRESENTS APPROXIMATELY 83.28% OF ALL FRANCHISEES WHO HAD NOT OPENED A RESTAURANT AS OF THAT DATE.
- 5. WE MAY TERMINATE YOUR FRANCHISE AGREEMENT IF YOU DO NOT OPEN YOUR RESTAURANT WITHIN 12 MONTHS AFTER YOU SIGN THE FRANCHISE AGREEMENT. THE FRANCHISE FEE IS NONREFUNDABLE.

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