

**FRANCHISE DISCLOSURE DOCUMENT**

**SMOKEY'S HOUSE OF BBQ FRANCHISING, L.L.C.**

a California limited liability company

60 Ritz Cove

Dana Point, California 92629

(949) 230-3829

www.smokeyshouseofbbq.com

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DEPT OF CORPORATION  
SAN FRANCISCO

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We grant you the right to operate a full-service casual family style Restaurant under our trademarks and names, including “Smokey’s House of BBQ.” Your Restaurant will offer for sale a wide variety of barbeque, including slow-smoked ribs, brisket, pork, chicken and sausage, burgers, po’boys, salads, side dishes and desserts, as well as cold drinks, including beer and wine.

The total investment necessary to begin operation of a Smokey’s House of BBQ franchise is \$650,500 to \$799,000. This includes \$64,000 that must be paid to the franchisor and/or its affiliate.

If you sign a Multi-Unit Operator Agreement to develop more than three Restaurants, you will pay a Multi-Unit Operator Fee equal to \$39,000 for the first Restaurant, \$27,500 for the second Restaurant, and \$18,500 for the third Restaurant, and for each Restaurant above the third, you will pay \$18,500 multiplied by the number of Restaurants you must develop. See Item 7 for further information regarding this estimated initial investment. The estimated initial investment described in the paragraph above also applies to the first restaurant that you develop under the Multi-Unit Operator Agreement, plus the Multi-Unit Operator Fee you pay at the time you sign the Multi-Unit Operator Agreement.

We may offer to enter into area representative agreements with qualified area representatives. Under the terms of our Area Representative Agreement, you will pay a fee between \$50,000 to \$450,000, depending on the size of the development area, for the area representative rights. As an Area Representative you must develop an agreed upon number of Restaurants and then provide on-going assistance to other franchisees located within your defined area. The estimated initial investment to operate as an Area Representative will vary depending on the size of the territory you purchase and the number of Restaurants to be developed. An Area Representative must own and operate at least one Restaurant.

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 Carl Jeffers at 3940 Laurel Canyon Blvd #1214, Studio City, California 91604 and (206) 781-6731.

~~———— You may have elected to receive an electronic version of your disclosure document. If so, you may wish to print or download the disclosure document for future reference. You have the right to receive a paper copy of the disclosure document until the time of sale. To obtain a paper copy, contact Carl Jeffers at 3940 Laurel Canyon Blvd #1214, Studio City, California 91604 and (206) 781-6731.~~

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, DC 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:** ~~August 19, 2010~~ February 27, 2012

## 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, MULTI-UNIT OPERATOR AGREEMENT AND AREA REPRESENTATIVE AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION AND LITIGATION ONLY IN CALIFORNIA. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE AND/OR LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT, MULTI-UNIT OPERATOR AGREEMENT AND AREA REPRESENTATIVE 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. THE FRANCHISOR HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME, SINCE OCTOBER 26, 2007. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.

4. 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: \_\_\_\_\_

FOR USE ONLY IN THE STATE OF CALIFORNIA

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