

DEPARTMENT OF CORPORATIONS  
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MAR 06 2012

## FRANCHISE DISCLOSURE DOCUMENT

**SONNY BRYAN'S FRANCHISE SYSTEM LLC**a Texas limited liability company  
12720 Hillcrest Road, Suite 910  
Dallas, Texas 75230  
214-350-1800  
www.sonnybryans.com

You will operate one or more "Sonny Bryan's Smokehouse" restaurants offering barbecued smoked meats, ribs, sandwiches, salads, potatoes, and various side dishes, rolls, desserts, and beverages, including beer, on a dine-in, take-out, catering and delivery basis in high volume malls, retail centers, and other high-traffic commercial locations throughout the United States. The total investment necessary to begin operation of a Sonny Bryan's Smokehouse franchise is \$395,000 to \$700,000. This includes the initial franchise fee of \$25,000 that must be paid to the franchisor or its affiliate.

If you are an area developer, you will pay a development fee equal to \$25,000 (less any applicable discount) for the first restaurant to be developed, plus \$15,000 for each additional restaurant to be developed under the Area Development Agreement. The development fee is applied pro rata to the initial franchise fees due for each restaurant to be developed after the first. Your estimated initial investment will vary based 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 Brent Harman at 12720 Hillcrest Road, Suite 910, Dallas, Texas 75230 and 214-350-1800.

The terms of your contract will govern your franchise relationship. Do not 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: March 5, 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 THE RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND THE TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. AS OF DECEMBER 31, 2011, THE FRANCHISOR HAD \$10,241 IN CURRENT ASSETS AND \$111,131 IN CURRENT LIABILITIES. THIS MEANS THAT FOR EVERY DOLLAR OF LIABILITIES DUE WITHIN ONE YEAR, THE FRANCHISOR HAD \$0.09 IN CURRENT ASSETS. THE FRANCHISOR HAS A DEFICIT NET WORTH OF \$(100,890). FRANCHISOR'S WORKING CAPITAL IS \$(100,890).
2. THE FRANCHISE AND AREA DEVELOPMENT AGREEMENTS REQUIRE YOU TO RESOLVE DISPUTES WITH US BY EITHER NON-BINDING MEDIATION AT A MUTUALLY AGREED UPON LOCATION, OR BY ARBITRATION OR LITIGATION IN TEXAS. 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 WITH US IN TEXAS THAN IN YOUR OWN STATE.
3. THE FRANCHISE AND AREA DEVELOPMENT AGREEMENTS STATE THAT TEXAS 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.
4. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$395,000 - \$700,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S MEMBERS' EQUITY AS OF DECEMBER 31, 2011 WHICH IS REPORTED AS \$(100,890).
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 the next page entitled State Effective Dates

**SONNY BRYAN'S FRANCHISE SYSTEM 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:

State	Effective Date
California	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
Virginia	
Wisconsin	

In all other states, the effective date of this Franchise Disclosure Document is \_\_ March 5, 2012.

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